DEALER ADVISORY BLUEPRINT | PHASE ONE

CONFIDENTIAL DEALER

PRE-ENGAGEMENT QUESTIONNAIRE

Prepared for owners and dealer principals

The purpose of this questionnaire is to give Rob Smith a clear, confidential view of your dealership before the initial on-site Executive Strategy Intensive. Exact answers are helpful; reasonable estimates are welcome where final figures are not readily available.

> **CONFIDENTIALITY**
> The information provided will be treated as confidential and used solely to prepare for the advisory engagement. If a question does not apply or the information is unavailable, please indicate "N/A" or "Unknown."

Dealership / Dealer Group	Date Completed

Completed By	Title / Role

Best Email	Best Phone

Primary Dealership Address

EXPERIENCE YOU CAN'T GOOGLE.

Better Decisions. Stronger Businesses. Trusted Relationships.

1. Why Are We Here?

Start with the owner's view. Brief, candid answers are more valuable than polished ones.

What prompted you to engage Rob Smith Advisory at this particular time?

What are the three most important outcomes you want from this engagement?

1.
2.
3.

What is the single decision, problem, or opportunity that concerns you most right now?

If nothing changes during the next 12 months, what is most likely to happen?

What would make you say, six months from now, "This engagement was worth it"?

2. Immediate Situation

[ ] Profitability pressure	[ ] Cash-flow pressure
[ ] Sales-volume decline	[ ] Inventory aging
[ ] Floorplan or lender pressure	[ ] F&I performance
[ ] Fixed-operations performance	[ ] Leadership or personnel issue
[ ] Compliance or legal concern	[ ] Ownership disagreement
[ ] Acquisition opportunity	[ ] Sale, succession, or exit planning
[ ] Capital need	[ ] Growth or additional rooftops
[ ] Turnaround / crisis	[ ] Other

Please explain any item above that requires immediate attention before Rob arrives.

3. Dealership and Ownership Profile

Legal Entity Name	DBA / Store Name

Franchise(s) / Brand(s)	Years Under Current Ownership

Number of Rooftops	Primary Market / DMA

Ownership Structure	Dealer Principal / Controlling Owner

List all owners and approximate ownership percentages.

Describe any ownership, family, partner, or governance issues that may affect decisions.

4. Leadership and Decision-Making

Leader	Name	Tenure	Primary Responsibility
Dealer Principal / Owner			
General Manager			
General Sales Manager			
Used Vehicle Manager			
F&I Director			
Service / Fixed Ops Director			
Controller / CFO			
Other Key Leader			

Who has the greatest influence on major decisions besides the dealer principal?

Are there any key leaders who may resist the engagement or proposed changes? Please explain.

How are major decisions currently made, communicated, and followed through?

5. Financial Snapshot

Best estimates are acceptable. Please use the most recent trailing 12 months when possible.

Measure	Current / TTM	Prior Year	Target / Budget
Total revenue	$	$	$
Total gross profit	$	$	$
Net income before tax	$	$	$
Adjusted EBITDA, if used	$	$	$
New vehicle units retailed			
Used vehicle units retailed			
Service and parts gross	$	$	$
Personnel expense	$ / % gross	$ / % gross	$ / % gross
Advertising expense	$	$	$
Total semi-fixed / fixed expense	$	$	$

Current Cash on Hand	Monthly Cash Requirement

Total Floorplan Balance	Unused Floorplan Availability

Other Interest-Bearing Debt	Owner Loans / Related-Party Debt

Are any taxes, floorplan amounts, lender obligations, payables, or employee obligations past due?

Describe any lender covenants, cash sweeps, curtailments, defaults, guarantees, or liquidity concerns.

What do you believe is preventing the dealership from producing stronger cash flow or profit?

6. Variable Operations — Sales and Gross

Measure	New	Used	Total / Blended
Average monthly retail units			
Retail units last month			
Average front-end gross / unit	$	$	$
Average back-end gross / unit	$	$	$
Average total gross / unit	$	$	$
Internet lead close rate	%	%	%
Showroom close rate	%	%	%
Days to turn			
Wholesale gain / (loss), monthly		$	$

Current Salesperson Count	Average Units per Salesperson

Monthly Lead Volume	Appointment Show Rate

Describe your sales process from lead or walk-in through delivery and follow-up.

Where do you believe the greatest sales or gross-profit opportunity is being missed?

What compensation plans, pay-plan concerns, or management practices should Rob understand?

7. Inventory

Inventory Measure	New	Used
Units in stock		
Dollar value	$	$
Days' supply		
Units aged 61–90 days		
Units aged over 90 days		
Average recon cost / used unit	N/A	$
Average time in recon	N/A	days

Describe any inventory acquisition, aging, appraisal, reconditioning, or wholesale problems.

8. F&I, Lending, and Customer Credit

Measure	Current	Target / Benchmark
F&I gross per retail unit	$	$
Service contract penetration	%	%
GAP penetration	%	%
Products per retail deal		
Finance penetration	%	%
Average approval rate	%	%
Average lender reserve	$	$
Monthly chargebacks	$	$
Contracts in transit — average days		

List your five most important lending relationships and approximate share of financed business.

1.
2.
3.
4.
5.

[ ] Prime	[ ] Near-prime
[ ] Subprime	[ ] Deep subprime
[ ] Lease	[ ] Credit union
[ ] Captive finance	[ ] Indirect bank
[ ] In-house / BHPH	[ ] Other

Describe any funding delays, lender concentration, repurchase exposure, chargeback issues, or credit gaps.

Are you currently retaining, purchasing, servicing, or selling any retail installment contracts? Explain.

Where do you believe F&I is leaving money—or creating unnecessary risk—on the table?

9. Fixed Operations

Measure	Service	Parts / Combined
Monthly gross profit	$	$
Gross margin	%	%
Customer-pay repair orders / month		N/A
Effective labor rate	$	N/A
Technician count / open positions		N/A
Technician productivity	%	N/A
Technician proficiency / efficiency	%	N/A
Service absorption	%	%

Measure	Service	Parts / Combined
Parts inventory value	N/A	$
Parts obsolescence	N/A	$ / %

Average Days to Appointment	Average Customer-Pay RO

Open Repair Orders Over 10 Days	Comeback Rate, if Tracked

Describe the greatest constraint in fixed operations: people, capacity, process, pricing, retention, or demand.

What fixed-operations opportunity do you believe is currently being missed?

Describe any warranty, manufacturer, technician-pay, parts, or customer-service concern Rob should know.

10. People, Culture, and Accountability

Total Employee Count	Annualized Turnover, if Known

Open Critical Positions	Longest-Tenured Key Employee

Who are your strongest leaders, and why?

Where is accountability weakest?

Are there any personnel, conduct, performance, compensation, or succession matters that require discretion?

How would employees describe the culture? How would you describe it?

11. Systems, Reporting, and Operating Rhythm

[ ] Daily operating report	[ ] Monthly financial review
[ ] Department forecasts	[ ] Weekly manager meeting
[ ] Written KPIs / scorecards	[ ] CRM accountability
[ ] Inventory aging review	[ ] Cash-flow forecast
[ ] Formal annual budget	[ ] Documented processes / SOPs

Dealer Management System (DMS)	CRM / Lead Management System

Inventory / Appraisal Tools	Accounting / Reporting Tools

Which reports do you rely on most? Which reports are inaccurate, late, or not trusted?

Where do commitments or action items most often break down?

12. Compliance, Legal, and Reputation

This section is intended to identify areas requiring preparation or specialized counsel. Rob Smith Advisory does not provide legal, tax, or accounting advice.

[ ] Open or threatened litigation	[ ] Regulatory inquiry or audit
[ ] Consumer complaint pattern	[ ] Advertising concern

[ ] F&I disclosure concern	[ ] Fair-lending concern
[ ] Privacy / cybersecurity incident	[ ] Sales-tax or title issue
[ ] Warranty claim exposure	[ ] Environmental concern
[ ] Manufacturer dispute	[ ] Employee claim or investigation
[ ] Floorplan audit issue	[ ] Reputation / media concern
[ ] None known	[ ] Other

Describe any checked item, including timing, parties involved, and current status.

Are there any matters that should be discussed privately with the dealer principal rather than management?

13. Manufacturer and Market

Current Manufacturer Standing	CSI / SSI Standing

Describe any facility requirement, stair-step program, allocation issue, performance notice, or manufacturer pressure.

Who are your strongest competitors, and what are they doing better?

What market, demographic, technology, or competitive change concerns you most?

14. Growth, Capital, Succession, and Strategic Options

[ ] Improve current-store profitability	[ ] Add another franchise / rooftop
[ ] Acquire an independent dealership	[ ] Acquire receivables / finance portfolio

[ ] Build or expand in-house finance	[ ] Raise debt or equity capital
[ ] Refinance existing obligations	[ ] Bring in a partner
[ ] Buy out a partner	[ ] Prepare for sale
[ ] Family succession	[ ] Management succession
[ ] Real-estate strategy	[ ] No major transaction currently planned
[ ] Other	

Describe any acquisition, sale, refinancing, capital raise, ownership change, or succession under consideration.

What is your preferred outcome for the dealership over the next three to five years?

What could prevent that outcome?

What decision have you been postponing?

15. The Candid Owner's Perspective

What do you know needs to change but have been unwilling or unable to change?

What are you most proud of in the business?

What is the one thing you have not told anyone else about the business that Rob should know?

16. Information to Provide Before the Visit

Please provide what is readily available. Do not delay the questionnaire while waiting for every item.

[ ] Last 24 months of dealership financial statements

[ ] Current month-to-date financial statement

[ ] Most recent year-end financial statement

[ ] Current balance sheet and cash position

[ ] Current new and used inventory aging

[ ] Current floorplan statement

[ ] Sales and gross recap — last 12 months

[ ] F&I production report — last 6–12 months

[ ] Fixed-operations statement / composite

[ ] Organization chart

[ ] Department manager pay plans

[ ] Current annual budget or forecast

[ ] Open lender covenant / default correspondence

[ ] Manufacturer performance correspondence

[ ] Any report the dealer principal considers essential

[ ] Other relevant information

List any requested item that will not be available before the visit.

List anyone Rob should speak with before or during the visit, and why.

List anyone who should not be included in certain discussions, and why.

17. Final Preparation

Preferred Visit Date(s)	Expected Participants

Are there any scheduling, security, confidentiality, dress, travel, or facility considerations?

What else should Rob know before walking through the door?

Acknowledgment

I understand that this questionnaire is designed to prepare Rob Smith Advisory for an initial advisory engagement and is not an audit, valuation, legal opinion, tax opinion, or assurance engagement.

Name	Title

Signature	Date

Thank you for your candor. It allows us to make the first conversation count.