

Initiating a Pre Approved Dealer Program and Increasing Profitability

Client Need: The autofinance division of a super-regional bank was interested in exploring the feasibility of raising indirect origination levels, initiating a 'Pre-Approved' dealer program and increasing profitability to the 'best-in-class' participant level contained in the "BCI Auto Finance Benchmark Study."

Solution: BenchMark Consulting reviewed each Dealer's origination performance metrics and conducted interviews with Sales, Credit, and Administrative management and personnel to determine if processes were affecting Dealer relationships and resulting in declining origination trends. The team analyzed the potential for profitability enhancement from installation of a 'Pre-Approved' program along with client credit criteria expansion. A cost/benefit analysis of acquiring new dealer relationships versus maintaining existing relationships was conducted and organizational recommendations minimizing excessive spans of control were delivered.

Results: BenchMark provided prioritized recommendations addressing profit enhancements from credit criteria expansion and initiation of a 'Pre-Approved' product, and organizational recommendations.