

The Process of Evaluating Your Dealership

An Auto Dealership Evaluation prepared by Nancy Phillips Associates helps you define your personal needs and business options in terms of financial goals, the future direction of the business and your own exit plan. Knowing the value of your dealership is essential to making informed decisions about your personal and financial goals. Your exit plan may be to transfer the business to heirs, sell outright, sell incrementally to a partner or separate the business from its real estate with a plan for each entity. Understanding how to interpret the value of your dealership will help you to select the best option to maximize proceeds.

The Evaluation Process

The evaluation of your business involves extensive research and analysis of all of the elements which impact its value. As a result of the high level of productivity our company has experienced in the sale of auto dealerships throughout the Northeast, Nancy Phillips Associates has acquired substantial knowledge and experience relative to market areas, demographics, franchise value, manufacturer's marketing plans and other elements affecting the value of your dealership.

Recasting Financial Potential

Since most automobile dealerships tend to keep reported profits as low as possible, financial recasting is a crucial element in assessing and understanding the actual earning history and the true profit of your business. In assessing your company, Nancy Phillips Associates recasts the financial data for the preceding years. For example, primary sales accounts and key expense accounts are re-allocated at market levels. Sales opportunities are estimated at average industry levels while expenses which are too high or low are re-aligned. Once recast, the financial history of your dealership translates the company's past into a tangible present value providing the data required to make an educated decision about the most suitable exit plan.

Demographics and Market Area Analysis

- Current Demographic Data•
- Local Business Bureaus•
- Automotive Industry Statistics•
- Proprietary information documenting regional and local dealership performance
- Comparable Dealership Sales•
- Manufacturer's Market Configuration Plans

Business Assessment

Dealership Performance - Our resources work for dealers with short term difficulties to identify, understand and correct problems. Services include consulting, financial oversight, forensic financial intervention and interim financial support.

Automotive Legal Team - Our legal associates provide premiere automotive services insuring that you will begin and end a successful transaction in the shortest amount of time at a fair and reasonable cost. elements affecting the value of your dealership.

The Hardest Step is the First Step

The Importance of an Evaluation

Evaluate Your Dealership

5 reasons why you need to know the value of your dealership

1. You're thinking of selling and want to make the most informed decision.
2. You're acquiring a dealership and need confidence in the sales price.
3. You're planning your estate or preparing to gift assets to family.
4. You want protection in cases of divorce, shareholder disputes, or fraud.
5. You need to clearly communicate value to partners, shareholders, or heirs.

The value of your dealership is our business

- Our evaluation reports are crafted with firsthand industry expertise and a deep understanding of your market.
- We take the time to understand your unique situation and tailor our process to support your individual needs.
- With decades of experience, sharp instincts, and exclusive access to real opportunities, we deliver real-time insights you — and your team of accountants and advisors — can trust.
- We work directly with you or your chosen representative and involve dealership personnel only at your request.
- We respect your time and your business — our evaluations are completed with the utmost discretion and minimal disruption to your operations.

When It's Time to Sell...

- Our expert, market-savvy determination of the realistic value of your business creates an opportunity to document the potential of your dealership and market it accordingly
- Our deep knowledge of your market area allows us to place your dealership with the right type of buyer early in the process
- Our hands-on management guides the entire transaction from evaluation through closing
- Our dedicated Transaction Manager oversees every date and component of the approval process, ensuring that schedules are adhered to and contingencies are satisfied on time
- Our referrals to the best proven professionals support all your needs from real estate appraisal, environmental site assessment, dealership attorneys, parts inventory services and closing support

Why NPA?

Many critical factors that influence dealership value are often overlooked by accountants unfamiliar with the nuances of the automotive industry — including manufacturer requirements, shifting franchise values, and evolving buyer and seller behavior.

At Nancy Phillips Associates, this is what we do — every day. We specialize exclusively in dealership sales, acquisitions, and valuations. We understand your concerns and know how vital it is to stay ahead in a constantly changing market.