



# Results of Price Optimization and the Maximization of Warranty Submission Rates

Bozard Ford Lincoln Case Study

## **ABOUT BOZARD**

Bozard was established in 1949 in St. Augustine Florida and is currently under the third generation of ownership. The dealership is known for having one of the largest Fixed Ops in the country as a brand boasting a team of 27 Service Advisors and 93 Technicians working across 98 fixed service bays and 10 mobile vans.

Despite being rurally located, Bozard maintains a loyal customer base. In fact, their reputation for excellent customer service and involvement within the community contributed largely to significant growth within the last 10 years. Their success can be summed up by the culture of their organization which focuses equally on their customers and their teammates.


## **FIXED OPS STATUS PRIOR TO PRICE OPTIMIZATION**

In the case of Bozard, their rapid growth required operational and strategic changes to be made within their Fixed Ops. Some existing operations were more antiquated than the rest of the dealership and they did not always take action to seek the help of external partners when needed.

## **WHY IS PRICE OPTIMIZATION IMPORTANT?**

Price optimization is the intelligent setting of customer pay labor rate and parts pricing to drive more revenue and gross profit without negatively impacting customer retention. The goal is achieving the “perfect price” where customer retention and gross profit are both maximized.

When a dealership lacks a strategy for price optimization it impacts their customer pay (CP) business, which in turn impacts their warranty rates the OEM allows them to be reimbursed at. The reason for this is that the OEM determines warranty reimbursement rates based on the actual dealer performance in the CP area for both labor and parts. This means that there is a “double whammy” for optimizing CP rates as it impacts both CP and warranty.



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## MAXIMIZATION OF WARRANTY PARTS SUBMISSION RATES

Bozard's Dynatron Coach advised them that their parts rate increase would be significantly higher if they implemented the pricing matrix and made additional changes to ensure price compliance within their parts department. This consulting advice allowed Bozard to make necessary changes to receive the maximum increase. In May 2022, Bozard filed with Ford to raise their parts markup by 32%. Their request was approved by Ford in October 2022 and resulted in an annualized warranty parts gross profit lift of \$551,825.55.

All this is consistent with the culture of Bozard, as they are able to use these extra funds to enhance customer experience and treatment of their employees, a "win-win-win" situation.

After achieving significant success with their warranty parts markup increase, Bozard plans to shift their focus to their service department and increase their warranty labor rate next. **Their partnership with Dynatron Software will play a key role in getting the maximum increase possible yet again!**

As Bozard continues their path of success, their target is to be #1 volume servicing dealer in the country across sales volume and service volume. They remain committed to continuing the growth, efficiency, and productivity of their Fixed Operations and are excited for the opportunity that lies ahead.

## ABOUT DYNATRON SOFTWARE

Dynatron Software makes running your Fixed Operations easier and more profitable. Our PriceSmart solution digests DMS data making it actionable for optimizing price, maximizing ELR, and improving profitability. Typical dealers see a 17x ROI and \$250K in additional annualized revenue each year.



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