

Ward's Dealer Business

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What to Do Before You Build

Tips for dealers preparing to invest in facility upgrades

Dealers across the country are upgrading their existing facilities or constructing new ones in what qualifies as an industry building boom.

It is spurred by auto makers who are urging their dealers to modernize facilities to enhance the car-buying experience.

Upgrades do not necessarily require state-of-the-art design. But good ones enhance the customer experience, whether through a larger facility, showroom expansion or additions to service centers.

Miller-Stauch Construction Co.'s Duane Dean, a veteran of dealership projects, offers the following tips to dealers considering facility upgrades:

1. Location, Location, Location. An upgrade may mean relocating to a

higher traffic area, such as an auto mall or dealership strip car buyers frequent. The right location at the right cost translates into more customers and can mean the difference between a high return on investment or just an average return. Select a development team that can show all available sites (not just those the developer owns or represents) and analyze the total cost impact before construction begins.

2. Build to Suit. Consider customizing space for both immediate and long-term dealership needs. Not only will it provide the dealer with a workplace to fit immediate needs, but it also allows the dealership to develop a contemporary workplace environment to enhance the car-buying experience for customers. Thinking beyond allows dealership owners to custom-build the workspace

for the greatest long-term value.

3. Weigh Options. Consider multiple design options. Invest in the planning process and discuss how different materials can reduce costs yet still achieve desired results needed to comply with upgrade requirements.

4. Construction Expertise. In selecting a project-development team, ask for references from previous dealership clients. Ask the developer if he or she directly controls the highest risk factor – construction costs. Get a guaranteed project cost. Take time to understand the development fees involved.

“Facility upgrades are an excellent vehicle for dealers to remain competitive in the market and enhance the experience of customers, ultimately improving their overall income,” says Dean, whose firm is based in Lenexa, KS. ■