

Positioning Your Dealership for Sale: How to Stand Out in a Competitive Market By Brad Stanek, Financial Advisor, CFP® and Paulina Matel, Financial Advisor, CFP®

As a dealership owner, preparing to sell your business is one of the most significant decisions you'll ever make. It's not just about securing a buyer; it's about positioning your operation to maximize value and stand out among a staggering 8,000 dealerships projected to change hands in the next 3-5 years. With such a competitive landscape, it's essential to be strategic in your approach. Recently, industry professionals Brad Stanek, a financial advisor for the Stanek-Haack Group at Morgan Stanley, and Doug Sexton, President of V20 Recruiting and Consulting, shared their perspectives on optimizing recruitment, enhancing team performance, and creating a positive workplace culture in a webinar that they held together.

The Current Dealership Landscape

The dealership industry has undergone dramatic shifts in recent years. Consolidation is accelerating, with many dealerships expanding into multi-rooftop organizations, while OEMs streamline dealer networks. At the same time, a significant percentage of dealership owners are nearing retirement age which is driving an increase in businesses entering the market.

For prospective buyers, the sheer number of opportunities and higher cost of capital means they must be selective. For sellers, this creates a challenge: how do you make your dealership more attractive to buyers than the other 7,999 going to market?

Turnkey: A Key Differentiator

A strong, stable, and capable workforce is one of the most critical factors in attracting buyers. No matter how impressive your location, facilities, or brand portfolio, success hinges on the people who drive your operation. Buyers look closely at existing teams to evaluate whether the dealership can sustain its success post-sale.

Consider this: dealerships with robust talent pipelines-featuring motivated, skilled, and satisfied employees are far more appealing to buyers. A buyer doesn't just want to purchase a business; they want a turnkey operation with minimal disruption. If your dealership's success depends heavily on your personal day-to-day management, your departure could significantly lower its value.

The Talent War

The war for talent is real, and, according to Doug Sexton – President of V20 Recruiting and Consulting, it's more challenging now than ever before.

1. **Shortage of Tradespeople:** The macro-level decline in skilled trades has hit the dealership industry hard, with fewer young professionals entering the field.
2. **Aging Workforce:** Many dealership employees are nearing the end of their careers with far fewer younger workers stepping in to fill the gap.
3. **Competitive Wages:** Dealers face fierce competition from other companies, which offer higher wages and benefits, making it difficult to attract and retain top talent.

To address these challenges, proactive workforce development is critical. It's not just about filling immediate vacancies but building a culture that attracts and retains exceptional talent. This effort should begin long before listing your dealership for sale.

Preparing Your Dealership for Market

When preparing to sell, think of your dealership as a product. Just as a salesperson highlights a motorcycle or an ATV's unique features to close a deal, you must showcase what sets your dealership apart. The core departments, processes, and customer-facing elements are important, but it's the intangibles that truly add value.

Here are a few areas to focus on:

1. **Employee Satisfaction:** Create a workplace where employees feel valued, motivated, and excited to build their careers.
2. **Leadership Development:** Invest in training and mentorship programs to cultivate strong leaders who can sustain success without your daily oversight.
3. **Operational Resilience:** Reduce dependency on a single individual (yourself) by delegating responsibilities and empowering your team.
4. **Reputation Management:** Build a brand that is known not just for sales but for being an employer of choice.

The Buyer's Perspective

Imagine you're a buyer evaluating a dealership. You want to ensure that the business can thrive from day one of your ownership. A strong, happy, and productive workforce signals operational stability and reduces risks, making the investment more appealing.

On the flip side, if your dealership's success relies heavily on your personal involvement, it could be seen as a liability. Buyers want to avoid disruptions and additional hiring challenges, which could affect their offer price.

Conclusion

The conversation between Brad and Doug provides a comprehensive overview of effective talent management strategies for powersports dealerships. By understanding the talent landscape, implementing recruitment and retention strategies, and fostering a positive workplace culture; dealerships can enhance their success and drive long-term growth. As the industry continues to evolve, adapting these insights can help dealerships stay ahead and thrive in a competitive market.

Ultimately, dealers must prioritize exit planning to protect their legacy, secure their financial future, and ensure the continued success of their dealership and their personal financial wellbeing. With the right approach, dealers can navigate the uncertainties of exit planning and achieve a favorable outcome that aligns with their personal and financial goals. To help build out this plan, our team offers a complimentary service, the **Second Opinion Service**, a 360-degree review of your dealership and personal financial situation.

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