



HOW A FORMER  
**CASH ONLY**  
**INDEPENDENT DEALER**  
**GREW HIS BUSINESS IN**  
**UNDER A YEAR**  
USING FLOOR PLANNING

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CASE STUDY | JAN 2020

**NEXTGEAR**  
CAPITAL

## CASE STUDY OVERVIEW

### DEALERSHIP

Car Shop Inc.

### TYPE

Independent

### MARKET

Covington, VA

### EMPLOYEES

5

### INVENTORY

30 to 40 vehicles  
a month

### AVERAGE TURN TIME

22 days

### UNITS FLOORED IN THE LAST 90 DAYS

69

### FLOOR PLAN PROVIDER

NextGear Capital



## A CASH ONLY FAMILY BUSINESS

With a population of only about 6,000, a flourishing independent car dealership moving upwards of 40 cars per month might not seem all that feasible. But in Covington, Virginia that's the case for Car Shop Inc. This independent dealership has been owned and operated by the Tingler family since 1995. Chris Tingler is the current co-owner and learned everything he knows about running a successful dealership from observing his father. "My father always owned a car lot and I started helping him at a very young age," says Tingler.

After years of working under his father's wing, it's no surprise that Tingler was more than ready to take over the family business when his father passed away. While Tingler was focused on continuing the legacy his father had created, he was also looking to make some changes. "My dad was old school and for 24 years

all we used was cash. I had heard numerous horror stories from other dealers about all the negative things that come with using a floor plan like hidden fees. But I really wanted to try something different and that's why when Bruce Paxton from NextGear Capital stopped by, I decided to give floor planning a chance."

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Tingler started using NextGear Capital in December 2018 and any hesitation he still had about using a floor plan quickly disappeared after realizing the difference having extra cash flow made for his business. "Other than the financing, I didn't do anything different than what I'd done in the past. All the negative things I'd heard about excessive fees and requirements turned out to be untrue. I've never had to pay a curtailment because our

turn times are so good, and cash sales are up 20% on the month because we have more inventory options for our customers."



## EMBRACING TECHNOLOGY


While Tingler admits he's never been very tech savvy, he did have his eyes on needed technology improvements including upgrading some of the software they used at the dealership. "When my father passed away, I had to make some upgrades to the systems we were using, and my NextGear reps Bruce Paxton and Mike Nemeth helped me make that transition easy." Tingler has also become a big fan of Account Portal since it provides him with easy access to view his floor plan information, manage his inventory and quickly track down titles for pending sales. "Getting a title from NextGear Capital is so easy and convenient, even if the title is for a vehicle that's already been taken to an auction. We used to keep titles at our lot but it's nice knowing that they're secure in the NextGear vault."

Tingler's experience when he visits an auction has also changed since he started using NextGear. "The checkout process is so much simpler now. When I take the paperwork up to the desk, I tell them to just put it on NextGear. I don't have to sign anything, and I just hand them the paperwork and leave. It's really expedited the process for me."

## INVENTORY OPTIMIZATION

As part of his new willingness to embrace technology, Tingler's reps encouraged him to use vAuto to help decide what types of vehicles to purchase at auction, "You've got to know what your customers want in terms of inventory, vAuto lets me see what the market is doing in our area and what type of inventory is selling and not selling. Having access to this type of information has been a game changer. The most expensive vehicle I sell costs about \$5,995. I know that my customers are looking for reliable used cars that will fit in their budget, not Hummers and BMW's."

Tingler has found that there are times when carrying a nicer end vehicle can pay off though. "Around tax time I bought some inventory that was a little higher end. I usually average about 40 vehicles on the lot, but I decided to double that amount in February in preparation for tax season and I actually ran out of inventory by the end of the month. I sold a total of 88 units in the month of February alone and that was before a lot of people received their tax refunds. We've also sold out of inventory an additional 4 times since then and that's never happened before this year. No matter how good of a month I had before, without the additional cash flow NextGear provided, I was always limited to the type and amount of inventory I could carry, which ultimately limited the growth of my dealership too."



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## WORD OF MOUTH IS EVERYTHING

In a community the size of Covington, the best advertising comes from former and current customers, which is why the only advertising Tingler does is posting his inventory on Facebook. "I try to carry inventory for different types of customers, but they all fit into that budget price range. We treat our customers fair because without them we wouldn't be here. They've got faith that if they buy a car from us, there will be no hidden costs. They know they'll be taken care of because if you don't take care of your customers, they won't take care of you."

While some people might think that his advertising tactics are a little dated, they must be working because according to Tingler, other dealerships in the area don't sell as much inventory combined as Car Shop Inc. does.



## PLANNING FOR THE FUTURE

Since its inception, Car Shop Inc. has grown from an average of 10 vehicles on the lot to 40, and to accommodate this growth Tingler decided to make some upgrades. "We had our two main lots repaved and purchased a third one. In the future, I plan on buying the last piece of property on our block so I can continue to grow the business. I've also been able to purchase new equipment and make renovations to both the interior and exterior of the dealership, and I also plan on expanding our service area as well."

Despite all his success the most important thing for Tingler is to keep his dealership in the family. "I wish years down the road my kids will be able to take over, or at least have the opportunity to do so and it won't be as hard on them, as it was on my dad and me."



## ADVICE FOR OTHER DEALERS

Now that Tingler's success is so well known throughout the dealer community, he's started having other cash only buyers reach out to him for advice. "When a friend of mine asked about getting into floor planning the first word out of my mouth was NextGear. Using a floor plan takes a lot of stress off the dealers because you don't have to worry about all your accounts balancing out when you want to purchase more or better-quality inventory."

Tingler does encourage dealers to be cautious though, as the temptation of being able to spend all that additional capital can come at a price, "I've seen some dealers run into issues using floor plans because as soon as they get access to additional funds, they spend it and you just can't do that. You've got to manage it like it's your own cash and know that at some point you've got to be prepared to pay it back."

## THE NEXTGEAR DIFFERENCE

While Tingler attributes much of his success to the way his father taught him to run a business, he admits that without NextGear Capital he wouldn't be where he is now. "NextGear Capital has allowed me to polish my business by freeing up more money without negatively affecting my cash flow or impacting the amount of inventory I'm able to carry. I probably could've eventually done a lot of the upgrades and improvements on my own, but it would've taken at least another 5 to 10 years."

To say that Tingler's view of using a floor plan has changed is an enormous understatement. "I can't think of anything negative to say about NextGear. Anytime I have a question or an issue, I call Bruce or Mike up and they take care of it right away. What works for one dealer, might not work for another and that's where NextGear Capital can help you figure out what will work best for your business. The only regret I have is not working with NextGear sooner."



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## ABOUT NEXTGEAR CAPITAL

NextGear Capital is the largest independent inventory finance company in North America, providing flexible lines of credit for auto dealers to buy used vehicles from over 1,000 auto and other vehicle sources throughout North America. With a client base of more than 20,000 dealers, NextGear Capital provides comprehensive services and support enabling dealers to buy and sell more inventory through self-service management tools, title services, records management and collateral protection. Headquartered in Carmel, Indiana, NextGear Capital is a Cox Automotive brand.

**For more information, visit [nextgearcapital.com](https://nextgearcapital.com).**

\*This case study and testimonial were received via interview, audio and/or video submission. It is based on the dealer's individual experiences, reflecting real life experiences of that NextGear Capital dealer. NextGear Capital does not claim they are typical results that dealers generally will achieve. This dealer's experiences may not be indicative of future performance or success of any other dealers. Some of the testimonials have been shortened so the whole message is not displayed due to length and/or relevance. All advances made in California by NextGear Capital are made pursuant to NextGear Capital's California Finance Lender License #603G505.



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