



## FINDING THE RIGHT FLOOR PLAN: **NEW WAY AUTO\***

CASE STUDY | DECEMBER 2021

**NEXTGEAR**  
CAPITAL



## CASE STUDY OVERVIEW

**DEALERSHIP**  
New Way Auto

**TYPE**  
Independent

**MARKET**  
Cocoa, FL

**INVENTORY**  
40 vehicles a month

**AVERAGE TURN TIME**  
88 days

**UNITS FLOORED IN  
THE LAST 90 DAYS**  
19

**FLOOR PLAN  
PROVIDER**  
NextGear Capital



Jesus Estrada, or Junior as most people know him, says he's been passionate about vehicles since he used to play with model cars as a child. This led to him attending a trade school when he was 17 to become an auto mechanic. On a fateful trip to Florida in 1996, though, he took a job at a used car dealership that forever changed his trajectory.

After working at the lot for a few years, Estrada decided he wanted to try selling his own vehicles. He started out by fixing up vehicles he purchased with his own money. In 2005, he got his first floor plan but admits he wasn't quite ready for it. "I wasn't knowledgeable enough to manage all of the credit I had and ran into some difficulties," he said. "While I was able to learn from that experience, I decided it was best if I didn't have a floor plan."

Fast forward to 2017 and he had a change of heart after he was approached by a representative from NextGear Capital at an auction. "She started asking me questions about my inventory and business and explained to me how I could benefit from a NextGear Capital floor plan," he said. "I started doing some research into different floor plan companies and quickly realized that NextGear Capital was the top one. I also was impressed by the fact that the representative kept reaching out to me without being pushy, so I decided it was time to sign up."

He came up with the name New Way Auto because he wanted to break the negative stereotype that most people have of used car dealerships. He tells his employees if they don't know something, just tell the customer that they don't know but they'll find out. He'd rather they be upfront than develop a reputation for being dishonest.

Estrada says that while the additional cash flow from his floor plan has been a huge gain for his business, the biggest game changer

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has been the tools his floor plan provides. One of his employees also uses Account Portal and loves being able to see what vehicles he's purchased at an auction before he's back at the dealership. "I use Account Portal all the time and I think that NextGear Capital has spoiled us because none of the other floor plan companies have a tool that's as useful," he said. "Other account management tools I've used have been difficult to navigate but not Account Portal. The dashboard provides me with a quick snapshot of the status of all my inventory."

Another feature he loves is the fact that he can create his own reports and go back and look at his previous inventory to guide future buying decisions, as well as the titles page inside of Account Portal. "If we pay off a vehicle by 4 p.m., we get our title the next day," he said. "It's crazy how fast it is! I also like being able to view the images of the titles. Other companies have limits on how many titles you can request each week and will charge you extra to



expedite them, but NextGear Capital provides us with a free FedEx Waybill for overnight shipping.”

When it comes to sourcing inventory, Estrada says it’s all about being smart with his time so he prefers to purchase most of his inventory at auctions because he can view hundreds of vehicles at once. However, when he does purchase non-auction inventory, he still likes to use his NextGear Capital floor plan because he doesn’t have to worry about his funds being tied up.

While a lot of dealers have struggled with the recent inventory challenges, that hasn’t been the case for Estrada. His approach has been to spend the extra money where he needs to in order to get the right inventory, knowing his research will ensure he can still make a profit. “My philosophy is if you don’t have it, you can’t sell it,” he said. “So, I haven’t been deterred by the higher vehicle prices.”

While he didn’t make any major changes to his business due to the pandemic, he does want to make some changes in the future. “We’re still a mom-and-pop shop but eventually I’d like to be one of the big boys and have a million-dollar floor plan,” he said. “I’m across the street from a large dealership and I already have customers who come over to our dealership when they’re not able to purchase a vehicle there so even though we are smaller, we’re still competitive and I really think it has a lot to do with the way we treat our customers.”



**“The main thing I hear other dealers say is that it costs too much, but it’s all about strategy. My inventory is always fresh compared to how quickly I was able to turn it before I used a floor plan. It’s also crucial to find the right floor plan provider and NextGear Capital has always been there for me.”**

Having learned the benefits of using a floor plan the right way, Estrada says dealers, especially new ones, should remember that just because they have a floor plan doesn’t mean they have to use it all at once. The biggest lesson he learned back in 2005 is to take the time to learn how to properly manage his floor plan.

“The main thing I hear other dealers say is that it costs too much, but it’s all about strategy,” he said. “My inventory is always fresh compared to how quickly I was able to turn it before I used a floor plan. It’s also crucial to find the right floor plan provider and NextGear Capital has always been there for me. My Portfolio Manager has been really supportive and is very straight to the point about things, which I like, so choosing NextGear Capital as my floor plan provider has been the right move for me and my business.”



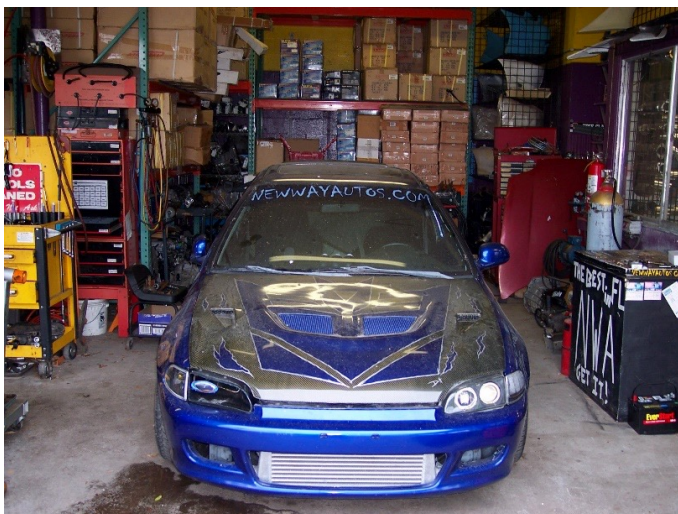


## ABOUT NEXTGEAR CAPITAL

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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