

## New Automotive Dealership

A new car auto dealer asked NorthStar Management to assist it in examining certain portions of its overhead. The dealer has fourteen stores located in one state. The dealer had been working to reduce two major components of its overhead cost, but experienced only limited success. Hoping that more could be done, the dealer engaged NorthStar to make a fresh examination.

The dealer limited the examination to energy and waste disposal. Normally these types of engagements would include more disciplines than just these two. However, market data indicates that assessments targeted at increasing profits through cost reductions in these specific areas are successful better than 90% of the time.

**The study was completed. NorthStar developed and executed a plan resulting in significant profit improvement for the dealer. The dealer achieved a \$386,000 increase in profits within the first year. That is better than an average increase per store of \$25,000.**