



Lender ROI

Last year, an estimated 80% of all commercial credit applications were faxed and manually re-entered, or could not be fully reviewed because of incomplete data. Use the following example to estimate the first year ROI that your business will earn from participation in the DealerBahn network.

First Year DealerBahn ROI

Step 1: Calculate Time and Effort to Evaluate and Integrate DealerBahn into Your Business

Planning and Review	Hours	Hourly Rate	Amount Invested
Business	150	\$ 125	\$ 18,750
Operations	250	\$ 75	\$ 18,750
Legal / Compliance	150	\$ 175	\$ 26,250
Internal Cost to Integrate Front End	300	\$ 125	\$ 37,500
Hardware			N/A
Long Term Contract Payment			N/A
Up Front Fees			N/A
Total Investment	850		\$ 101,250.0

Step 2: Calculate Revenue Increases or Expense Saves from DealerBahn

	Current Model		DealerBahn	
Sales Force Efficiency		Per Sales Person		Per Sales Person
Existing Dealer Sales Force	5		5	
# of Dealers	100	20	103	20
Annual Dealer Volume	\$ 110,700,000	\$ 22,140,000	\$ 114,021,000	\$ 22,804,200
Average Net Spread on Dealer Business	3.50%		3.50%	
Total Y1 Dealer Net Revenue	\$ 3,874,500	\$ 774,900	\$ 3,990,735	\$ 798,147
Net Revenue Increase			\$ 116,235	
Credit Processing Efficiency				
Average Ticket Size	\$ 90,000		\$ 90,000	
Annual # of Dealer Credit Applications Submitted	4,100		3,788	
Annual # of Applications Funded	1,230		1,250	
Current Look to Book Ratio	30%		33%	
Total Annual Credit Staff Expense	\$ 1,250,000		\$ 1,125,000	
# of Credit FTEs	10		9	
Total Avg Cost per Credit FTE	125,000		125,000	
Apps per Dealer	41		37	
Apps Reviewed per FTE	410.00		420.88	
Credit Expense Per App Reviewed	304.88		297.00	
Total Expense per Funded App	1,016.26		900.00	
Credit Capacity Increase or Expense Saves			\$ 125,000	
Cost of Maintaining External Web Site for Dealers				
Annual Budget for Dealer Front End	\$ 200,000		\$ 25,000	
Total Expense Saves			\$ 175,000	

- Enhanced sales force coverage
- Higher dealer satisfaction scores

- Improved segmentation and pricing controls
- Application filters increase "look to book" ratio
- Increased staffing efficiencies and controls
- Drive increased capacity without increased headcount

Reduce IT expenses. No need to maintain dealer website or servers.

Step #3 Calculate Cash ROI

Summary	
Revenue Increases	\$ 116,235
Expense Saves	\$ 300,000
Total Cash Impact	\$ 416,235
Total Front Investment	\$ 101,250
First Year ROI	411%