

## SECOND BONUS:

### HOW TO BECOME A CAR BROKER

Can you use the information in this book to become a car broker? How can you make money using the information in this book.

Find a salesperson at each of the major brand car dealers and/or independent used car dealerships in your community who would be willing to work with you, and sell cars to your clients at, say, \$100 over invoice, with a reasonable profit on dealer-installed accessories and warranties. Find at least one salesperson at one dealership for each major brand, if you live in an area with more than one dealership for each brand. It usually will not be a problem if you shop slightly out of town, either. This salesman should be willing to pay you at least a \$50 bird dog fee for every sold unit, and I would suggest asking for \$100. They pay at least \$50 per buyer for newspaper and other media ads, and you can practically guarantee that everyone you bring to them will be a buyer.

Then advertise that you can beat any deal on a new car. Charge \$100 to the customer for beating their best deal by at least \$100. You should know when they bring you a deal—if they do—whether you can beat it or not. Don't waste time with someone who has already gotten a great deal. But if they are paying right at invoice for the car, and full pop for the dealer-installed add-ons, you probably can beat it handily.

Collect the customer's money up front. Refund it courteously if you cannot find him a car deal he likes, but get paid before you start negotiating with a dealer on his behalf.

And if the customer has gotten a great deal from someone OTHER than the dealers you normally work with, call your dealers and see if they are willing to beat it. It's worth a phone call, and if there is rebate money floating around, they may be willing to sell a car below invoice. Or, of course, see if you can add his dealer to your own roster of dealers....

The dealer should pay you promptly after delivery of the car. Negotiating two orders a week like this would earn you a gross pay of over \$15,000 per year and your only expenses would be advertising, phone, and transportation. You should drive a nice car for this, naturally, but not TOO nice. Leave the Cadillac in the garage, except when you are negotiating on a Cadillac, of course, and drive a Chevy. When you actually drive with the customer to the dealership, you should go with the customer, in the car that the customer intends to trade. Advertising costs can be contained by using bulletin boards in laundries and grocery stores, and by informing friends, co-workers, members of the PTA or church organizations, or whatever, or by using weekly "shopper" newspapers, and Craig's list. The phone bill should be mostly local calls, and may not increase at all, especially if you use an "unlimited" cellular phone.

When you get larger, your local motor vehicle department might be able to sell you lists of people with cars that are older than, let's say, three years old, and you could write or phone those prospects directly.

Dealers will not want to offer used cars at \$100 over cost, but even a healthy profit of, say, \$400 per unit, would likely save your client money over what they can negotiate on their own. This profit should be negotiated with the dealer up front, when you start in business. You might negotiate it as a percent, or as a fixed amount on all cars or varying by how old the car is, or some other characteristic of the vehicle.

You should also know beforehand if there are going to be cars on which the dealer will balk at this agreement. If there is a car on which he knows he can make \$2000, he will be very reluctant to sell it to your client for a \$300 profit. If your agreement with him is that EVERY car is available for \$300 over cost, hold him to it, but don't burn any bridges, either. You need the dealer more than you OR the dealer need any one client.

This could be done on a part-time basis, until you see that you can make it work full time. Eventually, you will have dozens of satisfied customers referring all of their friends to you, and you could make a very nice living doing this, with a minimum of \$150 bankable on every sale that might take you two or three hours. If you broker a minimum of two deals a week, with an average of four or five, you are making \$30 K per year or more, with only a third of that reported to the IRS. If you want more than that, you'll have to work a little bit harder, maybe offer your clients a small bird dog for each completed sale they refer to you.