

Publish Date: February 27, 2017 Due Date (If Applicable): N/A

Action: *EFC05500 NEW March 2017 Tire Inventory Management Tool Size Recommendations & March/April Tire Round Up Gold Standard Program Updates*

Target Dealer Group: Ford and Ford/Lincoln Contact Dealers & Quick Lane Retailers

Target Audience: Dealer Principals, Service Managers, Parts Managers, Quick Lane Managers, Service Advisors, Quick Lane Advisors

Target Dept(s): New Sales CPO/Used Sales Fleet Sales Finance Parts Service

ACTION REQUESTED

- Prepare to revise your Tire Inventory Management (TIM) tool selections beginning on March 1, 2017. Evaluate the updated size rankings and adjust selections to maintain a complete strategy.
- Stock the Right Tires, All the Time! Align your Auto Replenishment tire selections with the updated stocking recommendations in TIM to earn Award Points for the March/April **Tire Round Up Gold Standard** Incentive.
- Review the updates made to the **Tire Round Up Gold Standard** Incentive.

SUMMARY

On March 1, 2017, new size recommendations will be updated in the TIM tool. TIM uses intelligent VIN data derived from your dealership's Ford, Lincoln, and Mercury Service Lane traffic to suggest a stocking strategy focused on meeting customer demand. Visit your TIM tool to view any size ranking fluctuations and make necessary strategy adjustments. Adding **Good, Better, Best**, selections for sizes that have moved up in ranking allows your dealership's Service Department to continue providing appropriate replacement recommendations for your customers.

To ensure your dealership stocks the tires that are in demand in your Service Lane, we strongly encourage participation in the **Tire Round Up Gold Standard** Incentive. Based on valued dealership feedback, we have adjusted the program to allow for greater participation and increased tire sales.

Summary of changes:

- **Top 30:** Available selection options have been extended through the **Top 30 sizes** for all four levels of participation (Base, Bronze, Silver, or Gold). Previous programs only considered the Top 25 sizes.
- **Gold/Silver Top Sizes – Good, Better, Best Auto Replenishment Adjustment:** Gold Top 10 sizes and Silver Top 5 sizes now require a minimum of **4 Best, 4 Better, and 4 Good** set for auto replenishment with a total auto replenishment quantity of 24 tires set for each size. Previous programs required a minimum of 8 Best, 8 Better, and 8 Good.
- **Reduced inventory requirement:** Gold Top 10 sizes now need a daily inventory count of 160 tires (of the 240 tires required on auto replenishment), and Silver Top 5 sizes now need a daily inventory count of 80 tires (of the 120 tires required on auto replenishment) to qualify for that size for that day. Previous programs had 200 tires required for Gold Top 10 and 100 tires required for Silver Top 5.
- **Gold Level:** Simplified the structure by integrating the bottom size tier requirements (sizes 21-25) in with sizes 11-30. Results in a total auto replenishment increase quantity to 360 tires. Previous programs had 3 size tier levels with requirements of 340 tires on auto replenishment.

To accommodate for possible adjustments needed to TIM selections due to the March 1 size ranking update and the changes noted above to **Tire Round Up Gold Standard**, we are providing a full month grace period in March. Finalize any necessary strategy adjustments, send your TIM auto replenishment selections by March 31, 2017, and still earn a full two-month payout!

Gold - 360 Tires on Auto Replenishment / Minimum Daily Inventory of 220 - \$1,000 Payout				
TIM Size Rank Tier	Count of Sizes Needed on Auto Replenishment in TIM (25 of Top 30)	Tire Quantity Needed on Auto Replenishment per Size	Total Tires Needed on Auto Replenishment	Minimum Daily Inventory Needed Per Size/Per Size Tier
1 thru 10	10 Sizes	24 Total per Size: any combination that minimally includes 4 Best, 4 Better, and 4 Good	240	16 / 160
11 thru 30	15 Sizes	8 Total per Size: any combination of Best, Better, or Good	120	4 / 60
Silver - 240 Tires on Auto Replenishment / Minimum Daily Inventory of 140 - \$600 Payout				
TIM Size Rank Tier	Count of Sizes Needed on Auto Replenishment in TIM (20 of Top 30)	Tire Quantity Needed on Auto Replenishment per Size	Total Tires Needed on Auto Replenishment	Minimum Daily Inventory Needed Per Size/Per Size Tier
1 thru 5	5 Sizes	24 Total per Size: any combination that minimally includes 4 Best, 4 Better, and 4 Good	120	16 / 80
6 thru 30	15 Sizes	8 Total per Size: any combination of Best, Better, or Good	120	4 / 60
Bronze - 160 Tires on Auto Replenishment / Minimum Daily Inventory of 160 - \$400 Payout				
TIM Size Rank	Count of Sizes Needed on Auto Replenishment in TIM (20 of Top 30)	Tire Quantity Needed on Auto Replenishment per Size	Total Tires Needed on Auto Replenishment	Minimum Daily Inventory Needed
1 thru 30	20 Sizes	8 Total per Size: any combination of Best, Better, or Good	160	160
Base - 80 Tires on Auto Replenishment / Minimum Daily Inventory of 80 - \$250 Payout				
TIM Size Rank	Count of Sizes Needed on Auto Replenishment in TIM (20 of Top 30)	Tire Quantity Needed on Auto Replenishment per Size	Total Tires Needed on Auto Replenishment	Minimum Daily Inventory Needed
1 thru 30	20 Sizes	4 Total per Size: any Best, Better, or Good	80	80

Program Rules:

TIM Setup

- Use the attached **Tire Round Up Gold Standard** participation matrix (Attachment A) to determine the level your dealership will participate under.
 - Your current participation level (Base, Bronze, Silver, or Gold) is displayed in the Round Up Ready section at the top of the screen on the TIM Home page. That level is based on the current strategy selections for your top 30 sizes. Click on that Round Up Ready section to view the requirements and adjustments needed to achieve other levels of participation.
 - On the TIM Home page, determine which of the Top 30 sizes to target to achieve the desired Round Up level. The sizes with selections that are currently meeting Round Up requirements will be indicated by the coloring of the 'Level' column. To add or adjust the appropriate quantity of tires, click on each size to view the tire part number and brand options available. Note – each size is broken down by Load/Speed combinations for the FLM vehicles seen in your Service Lane. Minimally focusing on the Load/Speeds that cover the highest percentage of traffic is recommended.
 - When making your selections in each size's TIM Size Setup screen, choose the Auto Replenishment option for those tires to be counted for the Round Up Incentive. Tires that are not auto Replenished will not count toward the program. The participation level at which your selections achieve will be noted in the upper left hand corner of each size.
 - Once your selections are set, you must send your order via the blue button in the lower right hand corner.
 - TIM selections are sent to OEConnection for set up in your OEConnection Tire Replenishment Tool/Stocking Guide.
- Dealerships **MUST** keep the required number of sizes and selections per size on Auto Replenishment in TIM for the entire program period.

- Note: changes to TIM selections during the program period (e.g. swapping from one part to another within a size) must be sent (via the blue button in the lower right hand corner) on **the same day any change is made** to ensure continued participation.
- **NEW!** Tires that have a Red Alert assigned to them do not count toward the program, regardless if they are set for Auto Replenishment in TIM. A Red Alert indicates that a tire has been discontinued for more than two weeks or that the distributor selected is no longer able capable of Auto Replenishment through the ATW Program.

Inventory

- Keep the Minimum Daily Inventory in stock for your specific selections for 80% (approximately) of the program period. The number of days required are listed below.
- Note that the sizes for Gold and sizes for Silver have a lesser Minimum Daily Inventory Requirement. Dealerships participating at these levels can sell sets of tires and still receive credit for the day. This allows for less worry if the distributor is unable to deliver those tires back into stock the same day.
- The stocking requirement for the Bronze and Base levels continue to be equal to the total tires required for auto replenishment.
- Total inventory quantities are calculated across each size, regardless of Best, Better, Good, designations.
- OEConnection must receive your tire inventory daily via your Dealership Management System (DMS). If inventory is more than two days old from the last reporting date, your dealership will be disqualified from the current Tire Round Up program period. The date we last received your inventory from OEConnection is listed on your TIM Home page.

Participation

- Dealerships can move down to a lower level of participation (Gold to Silver, Gold to Bronze, Gold to Base, Silver to Bronze, Silver to Base, or Bronze to Base) during a program period but cannot move from a lower level to a higher level (Base to Bronze, Base to Silver, Base to Gold, Bronze to Silver, Bronze to Gold, or Silver to Gold) once a program starts.
- Dealerships that do not qualify for one program period can qualify for future Tire Round Up periods by getting their TIM levels set prior to the next program.

March/April Full Program Dates:

TIM Lock In Date	Tire Round Up Gold Standard Start/Finish Dates	Required Days With Inventory/ Days in Program	Allocation Dates Start/Finish
March 31	April 1 – April 30	16 / 19	June 5 – June 30

How Do I Enroll

- Enrollment is automatic for all eREACT!/Ford ATW Tire Program Dealerships that provide tire inventory to OEConnection.
- There are no fees to participate in the ATW Tire program.

Reporting

- The **Tire Round Up Gold Standard** Inventory Incentive reporting website is available at FMCDealer/Parts & Service Tab/Parts Product Line Information/Tires/Tire Account Activity Center/Incentives/**Tire Round Up Gold Standard**.
- Final Program status and earnings, which will include your dealership's qualifying Purchase Index for the program, will be available the last Monday of the following month after the end of the contest.

Payout Rules:

- A Dealership must be active and enrolled in the Ford ATW Tire Program throughout the entire program period (including the award distribution timeframe) to be eligible for payouts.
- Dealerships must have a Purchase Index of 1.0 or higher at the end of the last month of the program to qualify for any payouts (March/April **Tire Round Up Gold Standard** will use an April Purchase Index).
- BASE LEVEL TRAINING CERTIFICATION REQUIRED TO WIN! – Ford Motor Company requires that all dealership personnel must be employed by the dealership at which they won the award and Base Level certified to receive points. Dealership personnel who are not certified will not earn points from the **Tire Round Up Gold Standard** program. All front line employees must be Base certified and show in STARS as “Certified”.
- Participants must be Base Level Certified by the last day of program to receive an award payout.
 - For additional certification information please see:
 - "Incentive Eligibility Requirement – Training Certification" EFC02544 posted on November 4, 2013.
 - FMCDealer / Training & Certification / My Training / Training Certification / Certification Overview and FAQ

Award Distribution

- Award Distribution
 - All Awards will be distributed in the form of Award Points on the AwardHQ website at www.AwardHQ.com. Each FCSD Award Point has a value equivalent to \$1.00.
 - The points need to be allocated by the Parts Manager, Parts and Service Director, or Dealer Principal.

Additional Program Details

- Dealerships not enrolled in the Ford ATW Tire Program are not eligible.
- Tires must be purchased through the Ford ATW Tire Program to be eligible for payouts.
- Ford Motor Company reserves the right to audit/validate and/or otherwise verify all tire purchases to determine program eligibility. Should Ford Motor Company determine an enrolled Dealer and/or eligible employee has engaged in fraud and/or intentional misrepresentation, Ford Motor Company will reduce the payouts accordingly and may terminate enrollment in future incentive programs.
- Ford Motor Company is required to report the value of all awards/prizes to winning Dealership personnel on Form 1099. Recipients are solely responsible for any applicable taxes on awards/prizes. Ford Motor Company assumes no liability for any such taxes. If Ford rewards a prize to the Dealership P&A account, the Dealer takes responsibility for any applicable taxes.
- Ford ATW Tire Program reserves the right to change Program Rules for future **Tire Round Up Gold Standard** program periods.

Q&A

- Can I change my TIM selections after a contest starts?
 - Yes, selections can be changed. We realize that some part numbers do not always remain a good fit for your stocking model, or occasionally go on back order at your distributor.
 - Make changes as needed in TIM.
 - You must send your order via the blue button in the lower right hand corner on ***the same day any change is made.***
- Can I select just the Best Only selection?
 - Yes, for Base and Bronze Level participation only. However, the best practice is to have a Best/Better/Good selection for all sizes that you choose. This will allow your Service Department to make recommendations to the customer using a three-tire strategy in the Tire Sales Tool (TST). Use the non-Auto Replenishment option for those tires not needed for stocking. However, those selections will not count toward Tire Round Up.

QUESTIONS

Call Tire Program Headquarters at 888-353-3251 or email Tirehelp@automated5.com.