

Equipment Velocity Framework



Why Moving Equipment Faster Matters in a Slow Market – And What to Do About It

Understand the Barriers to Selling So You Can Sell Faster

“You can’t fix slow sales with wishful pricing.”

When the market is soft, the lot is full, and sales are slowing, **repricing alone won’t move your inventory.**

This one of the most overlooked truths in equipment sales. Repricing can help, but real movement comes from fixing the internal and external bottlenecks that slow down turn and tie up working capital.

This guide is aimed at helping your team make faster, more informed decisions to sell equipment quicker and free up resources for what sells next.

Margin vs. turns: A false binary

Repricing is often framed as a trade-off between protecting margin or pushing volume. But in today's environment, many dealers are already making that call, and they’re eating margin to free up cash and space on the lot.

Here’s what dealers tend to overlook:

- Slow-moving inventory does more than just hurt margin – it raises opportunity cost.
- Aging equipment limits your ability to stock what your buyers actually want.
- Floorplan interest, insurance, and obsolescence risk silently erode profit every day something sits.

The goal isn’t just to reprice. It’s to move the right iron, and move it faster. Let’s find out what this entails.

What Is 'Equipment Velocity' And Why Does It Matter?

"Equipment velocity" simply refers to how quickly inventory moves through a dealership, from acquisition to sale. For dealers, understanding and improving velocity is critical – it directly impacts profitability, cash flow, and overall operational efficiency.

Here's how this breaks down:

1. Cash flow & working capital

- Faster inventory turns reduce the time between acquiring equipment and receiving cash from a sale.
- Dealers can free up funds to buy in-demand models or reinvest in operations.

2. Margin protection

- The longer equipment sits on the lot, the greater the need for price cuts and discounts to move it.
- High equipment velocity helps dealers protect margins by reducing markdowns and limiting carrying costs.

3. Better pricing & acquisition decisions

Tracking equipment velocity empowers dealers to make smarter inventory decisions:

- Identify models and categories that are selling fastest in their market.
- Avoid overpaying for slow-turning equipment that ties up cash.
- Use real-time data to guide valuation, acquisition, and pricing decisions.

Now that we have a idea of the importance of equipment velocity, let's take a look at the ways *low* velocity can harm a dealership.

"If your units aren't progressing from 'marked sold' to 'invoiced and gone,' you're not selling equipment – you're sitting on it."

Insufficient Velocity: How Low Turn Erodes Margin Over Time

Dealers often think their pricing is the problem. More often, velocity is the root issue.

The following table illustrates how important a quicker turn is to retaining margins. Note that this doesn't even take into account likely markdowns and opportunity costs, both of which are realities for the sales team at any dealership.

Unit Sale Price: \$1,000,000

Cost: \$930,000

Initial Margin: 7%

Holding Cost Rate: 12% (\$9,300/month)

Days on Lot	Remaining Margin After Holding	% of Margin Lost
30	\$60,700	13.29%
90	\$42,100	39.86%
210	\$4,900	93%
360	-\$41,600	159.43%

What aging equipment does to margins:

- Every day a unit sits, **carrying costs chip away at profit margins.**
- By 210 days, the combine is almost a **break-even sale.**
- At 360 days, it's a **loss-maker** – erasing profits and consuming working capital.
- **High equipment velocity** protects profitability, keeps cash flowing, and ensures inventory reflects market demand.

Velocity killers include:

- Cumbersome paperwork being dragged out or not submitted
- Internal systems that don't flag aging deals
- Limited visibility across departments
- Manufacturer limits on reordering due to unsettled inventory

Overcome Internal & External Repricing Pressures

Dealerships face challenges both within and from outside their operations. The key to success is to adjust to the factors you can't change, and to manage the factors you can.

Dealers don't always have a pricing problem – they often have a **throughput problem**.

External Market Forces

- Auction values and comp data are down
- High supply of certain categories (e.g., combines) = pricing pressure
- Regional demand volatility

Internal Constraints

- Outdated inventory blocking reorders
- Sales workflows with no checks on deal velocity
- System limitations (e.g., OEM platforms counting "marked sold" units as still in inventory)

Shorten the time from "Quote" to "Invoiced and Gone"

Here are some actionable steps you can take to improve operational efficiency.

1. Audit your current pipeline

- Count how many units are currently in each stage: *Quoted, marked sold, invoiced*.
- Identify and flag the oldest units in each stage.

2. Set velocity benchmarks

- Establish acceptable timelines by category (e.g., lawn tractors vs. large ag units).
- Define consequences or alerts for units aging past velocity targets.

3. Empower managers to enforce limits

- Cap the number of units a rep can mark as "sold" without follow-through.
- Use tools to flag when deals sit too long without progress.
- Set a limit (e.g., 48 hours) for units to be marked as "on hold."

4. Train sales teams on the impact of aging units

- Share the costs of inaction with your teams: Lost reorder ability, shrinking margins, missed market windows, and spoiled deals all have real numbers attached.

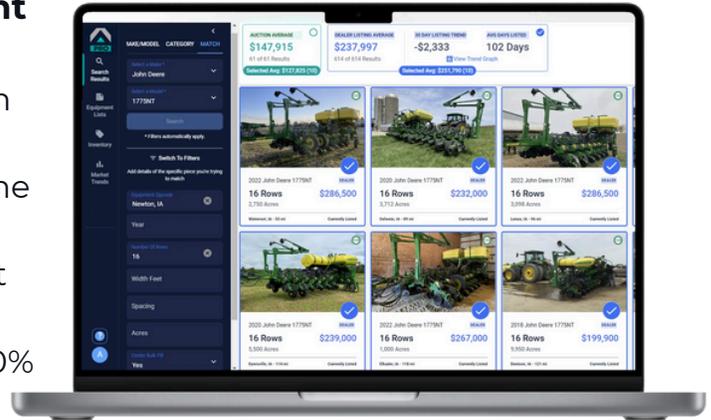
Use the Right Tools for the Job

Because you can't manage what you can't see, tools that provide real-time market visibility and a unified view of all stages of your internal processes are crucial to taking action. Tractor Zoom's suite of dealer solutions help bridge that critical gap between awareness and action.



Tractor Zoom Pro – Real-time equipment comps and inventory management

- Know what's selling quickly in your region with real-time market data.
- Compare your equipment velocity with the retail market.
- Apply pricing insights to price equipment competitively and reduce aging.
- Dealers using Tractor Zoom Pro have a 20% higher turn rate than other dealers.



Learn More About
Tractor Zoom Pro



Anvil Pro – Dealer intelligence and end-to-end workflow platform

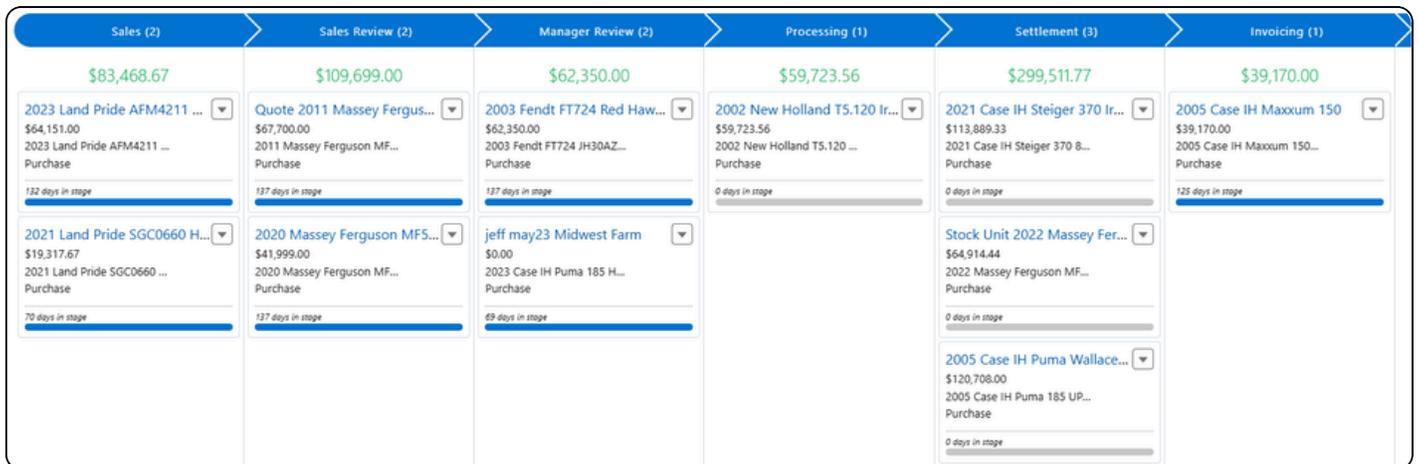
- Track internal workflows from initial quote to final invoice.
- Get automated alerts on aging deals and velocity stalls.
- Set sales rep guardrails to prevent bottlenecks.
- Integrate your existing business platforms, including Equip and CDK.

Learn More About
Anvil Pro

Monitor Your Dealership's Metrics to Stay Aware

Consider these as your dealership's "speedometer" – if any metrics are in the red, you are likely experiencing a problem of insufficient velocity.

- ✓ **Days in each pipeline stage from quote to invoice (per category and rep)**
- ✓ **Units marked sold >30 days unsettled**
- ✓ **Inventory aging >365 days**



Anvil Pro's Sales Pipeline solution gives dealers visibility into exactly where the deal is sitting in their workflow.

Dealers using Tractor Zoom Pro are turning inventory up to 20% faster than their competitors.

Keep in Mind: Repricing Is a Lever, Not a Cure-All

In a competitive market, both margins and timing matter. If you're only focusing on price, you're only treating the symptom, not the disease.

Velocity is what drives margins, enables reorders, and makes your dealership agile. Fix that, and the rest will follow. Note that “velocity” includes both overall time between acquisition and sale, as well as the length of time it takes for a deal to move through your sales and PO/invoicing workflows.

To learn more about how Tractor Zoom’s dealer solutions can help you price right while speeding up every stage of your workflow, [book a demo](#) with one of our reps today.



[View customer testimonials](#)

[Read customer stories](#) to learn more about how dealers of all sizes and OEMs use Tractor Zoom’s solutions to move equipment faster.