

The Profitable Pre-Owned Sourcing Playbook

The LMDS + Scarcity Velocity Framework

By Craig White — Profitable Pre-Owned

1. The Core Formula

Formula: Low LMDS + High Scarcity Index (300+) + Positive Strategy Need + B– or Better Grade = Velocity Inventory.

This combination identifies vehicles with high demand, low supply, and strong market performance.

Metric	What It Means	Target
LMDS (Like-Mine Days Supply)	Days to sell your exact year/make/model/trim	0–40 (ideal <35)
Autotrader Scarcity Index	Demand-to-supply ratio (scaled 100–1,500)	300+ (600+ = high velocity)
Stockwave Strategy Need	Fit with current inventory mix	Positive or High
Provision Grade	System confidence in turn & margin	B– or higher

2. Why It Works

Most dealers chase price — that’s yesterday’s game. This model chases **velocity** where demand exceeds supply. LMDS shows how fast your exact unit moves, the Scarcity Index shows how many buyers are looking now, Provision Grade validates turn confidence, and Strategy Need aligns to your lot mix.

3. Buy Plan Types

Velocity Plan: LMDS < 35, Scarcity Index > 600, B or higher grade.

Margin Plan: LMDS 35–55, Scarcity Index 300–600, A/B grade.

Market Blend: Balance both; use MDS averages and demand patterns.

4. Data Sources

vAuto for LMDS, Stockwave for Strategy Need and Market Pricing, Autotrader for Scarcity Index (scaled 100–1,500). Combine these to form a local Velocity Score.

5. Interpreting Results

Low LMDS + High Scarcity (300–600+): Fast-turn, high-demand units.

Low LMDS + Low Scarcity: Limited market — price aggressively.

High LMDS + High Scarcity: Seasonal or regional trend — monitor closely.

High LMDS + Low Scarcity: Avoid or wholesale early.

6. Example Vehicle

Example: 2022 Toyota RAV4 XLE

LMDS = 32, Scarcity Index = 420, Strategy Need = Positive, Provision Grade = B+

Result: Velocity Car — high demand, low supply, fast-turn opportunity.

7. Implementation Steps

1. Identify key segments for your store.
2. Export LMDS, Scarcity Index, and Provision data weekly.
3. Rank vehicles by Velocity Score.
4. Create buy plans in Stockwave: $LMDS \leq 40$, $Scarcity \geq 300$, $Grade \geq B-$.
5. Review weekly with acquisition team.

8. Bonus Tip

You can now add the **Autotrader Scarcity Index module** directly into your vAuto **Glance Box** view — allowing you to see market demand in real time alongside LMDS, Provision Grade, and Strategy Need.

Fun fact: this feature was originally suggested by **Craig White** and implemented by vAuto after dealer feedback.

Glance			
2022 BMW X5 xDrive40i CARFAX Pillars		Orig. MSRP: \$71,645 66,768 mi	
✓ ⓘ XE NA	MMR Adjusted \$30,400 31 vehicles	rBook Adj Avg List Price \$38,306 33 vehicles	rBook Days Supply 55
Vehicle Details Page	J.D. POWER Clean Trade-In	Stockwave Max Bid	rBook Avg Odometer
SHOW	\$38,175	\$33,363 ⓘ Centralized Regional Plan Craig White, C...	39,013 mi
Condition Report	Provision Appraised Value	Stockwave Projected Profit	Provision Grade
Grade 4.6	- CTM: -	\$2,563 ⓘ Centralized Regional Plan Craig White, C...	
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
0 Asbury Coggin Deland Ford	\$33,847 Centralized Regional Plan Craig White, Asbur...	2 Coggin Acura	\$33,778 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
0 Coggin DeLand Honda	\$33,347 Centralized Regional Plan Craig White, Coggi...	6 Coggin BMW Treasure Coast	\$33,778 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
-1 Coggin Honda of Orlando	\$33,348 Centralized Regional Plan Craig White, Coggi...	1 Coggin Chevrolet at the Avenues	\$34,363 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
0 Coggin Hyundai DeLand	\$33,347 Centralized Regional Plan Craig White, Coggi...	1 Coggin Ford	\$33,243 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
-1 Courtesy Chrysler Jeep Dodge RAM Tampa	\$33,855 Centralized Regional Plan Craig White, Court...	0 Coggin Honda of Ft Pierce	\$34,328 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
18 INFINITI of Tampa	\$33,903 Centralized Regional Plan Craig White, INFI...	0 Coggin Honda	\$33,363 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
1 Courtesy Nissan of Tampa	\$33,283 Centralized Regional Plan Craig White, Court...	0 Coggin Honda of St. Augustine	\$33,851 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
0 Courtesy Palm Harbor Honda	\$33,915 Centralized Regional Plan Craig White, Court...	0 Coggin Nissan on Atlantic	\$33,243 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
0 Courtesy Hyundai Tampa	\$33,403 Central Regional Plan Hyundai Tampa, Court...	-1 Coggin Nissan At The Avenues	\$33,363 Centralized Regional Plan Craig White, Coggi...
Stockwave Strategy Action	Stockwave Max Bid	Stockwave Strategy Action	Stockwave Max Bid
1 Courtesy KIA Brandon	\$32,120 Kia of Brandon, Courtesy KIA Brandon	-1 Coggin Buick GMC of Orange Park	\$33,877 Centralized Regional Plan Craig White, Coggi...
Vehicle Notes Platform	Autotrader Scarcity Index	Stockwave Strategy Action	Stockwave Max Bid
	-	-1 Coggin Toyota at the Avenues	\$33,863 Centralized Regional Plan Craig White, Coggi...

This isn't about chasing cheap cars — it's about chasing fast ones. When you combine **data + discipline + demand**, your inventory becomes a profit machine.

“That's not just a good car — that's a Profitable Pre-Owned car.”