

Departmental Action Plan

Student Name: Paul Zolnierz
Class & Student Number: 332-03
Academy Week: Week 4 – Variable Operations 1 Pre-Owned

Current situation or challenge you want to address:

We need to increase our Certified Pre-Owned business. We currently average 22 CPO's per month and need to increase to 30 per month. Lack of CPO's in stock available to sell is an issue. We need to buy more cars for our CPO inventory.

Overall Objective and Specific Desired Results:

Objective is to find more CPO's to buy for our inventory and market better that we sell CPO's and that we are interested in buying customers car for inventory no matter if they are buying a car or not. Our customers in our service department will be the focus.

Desired result will be in the acquisition of 15 more CPO's per month which will result in 8 more sales per month. The additional marketing and culture change in our store that we want to buy cars will help this. Other results from selling more CPO's is the increased gross. We average \$1516 on the front and \$1081 on the back of CPO's. That is approximately \$300 higher in total than all other cars. CPO's have a higher warranty penetration as well which creates better service retention and happier customers.

Describe your action plan in detail (be specific and include before and after measurements)

We must begin with buying more vehicles that qualify for our CPO program. How do we do this? We can get these cars from the auction, Hyundai off lease, trades, and our current customers. The most cost effective way and the area that we aren't maximizing currently is our current customer base and customers specifically in for service. Our CRM tells each sales consultant who of their customer base is in for service that day. We are going to sit down with each sales consultant and investigate each customer's situation. We

are going to use Kelley Blue Book Instant Cash offer to get the values of each vehicle and prepare them for presenting to the customer. Even if a customer is not interested we will give them the KBB trade value to take home. We are going to have signage in the service waiting area displaying our need for their car. Each customer will be talked to by the sales consultant and manager about our upgrade program. If we consistently do this every day I believe we can acquire at least 15 cars a month which is needed to get our average CPO sales to 30 per month. The 8 additional sales will provide an additional \$20776 in gross based on our averages. I anticipate we can turn a larger profit than normal on the customers that not only sold us their car but upgraded to a new one since they will be not currently in the buying cycle and have not been shopping/researching. Most of our CPO acquisitions through the service department will be buying a new one. On 15 sales that is an additional \$28755 of gross based on our averages.

Timeline: Describe specific short term and long term checkpoints to monitor progress

The new strategy for acquiring more inventory to sell as CPO's will begin August 1st. July will involve preparing our signage and displays in the service waiting room, training sales consultants, and adding CPO displays to our website. Every Monday morning we will review the results from the week. 4 per week is our goal so we can achieve 15 more vehicles per month. November is the month where the additional inventory will result in more CPO sales. 30 is our goal and we will monitor that daily in November.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: The GSM and Used car manager are going to be held accountable. They need to physically sit with the sales consultants to game plan and prepare each day on how to obtain vehicles from our service department.
- b. What: GSM and used car manager will train daily on this. They will be held accountable for doing the training.

- c. **By When:** Starting Aug 1st. Every day we need to work the service department customer base.
- d. **How:** Sales consultants will get a manager to talk to each customer they present with an upgrade offer. They will email the results each day to the management staff.

Dealer agreement:

If you need your sponsors support or approval to implement your plan, have it signed off before you start. If you can proceed on your own, present this action plan to your sponsor before next class. Describe the meeting:

I can proceed on my own.
