

Departmental Action Plan

Student Name: JB Burnett

Class & Student Number: 332 - 24

Academy Week: 4

Current situation or challenge you want to address:

Acquisition of inventory at the right prices to remain competitive in a One-Price No Negotiation Setting.

Overall Objective and Specific Desired Results:

We just transitioned to One Price used vehicle Pricing, we have found that immediately our front end gross has suffered as we now have an aggressive price to market strategy. This pricing strategy will not be changed, so in order to increase front end gross we will need to find new and more effective ways to acquire inventory at the proper cost to market to increase front end gross.

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

- **Better training on Vauto and proper trading of vehicles**
- **Building exit strategies on appraisals and knowing what the plan is for each and every vehicle traded at time of appraisal.**
- **Setting ACVs at numbers to generate 12-15% profit based off of being at the correct percentage of market when we enter the marketplace.**

- Focus on Time to Market and have recon done as close to 72 hours as possible, currently at 8 days
- Weekly Time to Market and Rapid Recon meetings each Monday at 10AM to assess where we are at with each unit and what, if anything, is effecting the time to market. This will involve Used manager, inventory manager, detail manager, service manager and GM.

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

- Vauto Training has been set up and was started June 1st – We are having weekly refresher sessions to broaden our skillset and make sure we are using the tool effectively.
- Every 2 weeks we are assessing our current inventory position and what the cost of market is. Our goal is to keep cost to market around 85%. Currently we are sitting at 88% down from 92% when we started this analysis.
- All managers are now properly providing an exit strategy on each trade – this is monitored weekly in our Vauto review calls.
- Time to market has been reduced from 10 days to 8 days over the last 30 days. Our goal is 72 hours by 8-1-18.
- Weekly Rapid recon meeting began on 6-1-18 and have occurred without fail each week. These meetings are serving as a catch all for any vehicles that may have previously fallen through the cracks.

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

1.

- a. **Who: Sales Managers**
- b. **What: Proper Appraising training and accountability of both traded units and wholesale.**
- c. **By When: July 1st**

- d. How: Weekly Training sessions – individual one on ones – Pointing out lost trades as well as wholesale and retail mistakes on trades – Peer accountability by other managers.**

2.

a. Who: Service Personnel – Inventory Manager

b. What: Time to Market

c. By When: 8-1-18

d. How: Weekly meetings to discuss progress on vehicles going through the recon process – Tying Inventory manager and service manager bonus plan to Time to Market.

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:

We met about this on several occasions leading up to our last class and when I came back we sat down one last time to discuss my plan of action and I put everything into place. He was very supportive, knowing that this could be a very profitable move for us. Through June and July we have continued to grow in Used vehicles and profitability. We are now the best store in the group at 7.27 days to market, and had the highest volume and largest profitability for the month of July. We discussed this on our month end call, and we were asked to share what we are doing with the rest of our automotive group so everyone can be on the same page.