



HOMEWORK ACTION PLAN

S SPECIFIC
 M MEASURABLE
 A ACHIEVABLE
 R RELEVANT
 T TIME-BOUND

Name <u>Mike Lombardo</u>	Class #	<u>419 - 18</u>
Dealership <u>CDJRF of Manhattan</u>	Date	<u>11/29/2023</u>

Current Situation or Challenge to be Addressed:	There are several Challenges that need addressing. 1. SSI of the Store. 2. The Current Turn Rate of the Store. 3. The affect the turn rate is having on the Floorplan Interest.		
Current Performance Level (include specific measure):	1. Current SSI in Mid October is 891/1,000. 2. Current Turn Rate of the Store is 26%. 3. With Avg Cost of \$52,500 - . \$74k agasint \$41k credit = \$33k Net on New		
Goal (what do you want to achieve?)	1. SSI Score of 990/1,000. Turn Rate of 40%. 3. Net Breakeven to \$10k		
Goal Performance Level (include specific measure)	1. Put new process in place for Delivery to ensure good SSI Scores. 2. Wholesale bad inventory, get more aggressive on over 60 day New Inventory, Get more allocation on whats selling to drive up credits to help offset until Inventory levels are correct. 3. Turn Rate increase + Certain Allocation Increase = Lower Floorplan Expense.		
Goal Start Date:	10/16/2023	Goal End Date:	11/30/2023
First Check-in Date:	10/16/2023	Performance Objective:	Learn about current numbers and their effect. Our current SSI is 891.
Second Check-in Date:	11/1/2023	Performance Objective:	1. 891 to 965(Low Level for Payout) 2. Turn Rate to 30%. 3. No Net Change Since Inception except floorplan went from a Net \$33k to a Net \$27k.
Third Check-in Date:	11/15/2023	Performance Objective:	1. SSI 965 to 988 2. Turn Rate Dropped to 7%. 3. Floorplan cost went up due to this.
Fourth Check-in Date:	11/29/2023	Performance Objective:	1. SSI is at 992. 2. Turn Rate has fallen to 19%. Floorplan interest has gone down from \$27k at prior

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			<p>months end to \$19k due to an increase in vehicles from the factory. More cars delivered to us increased the number of credits we had.</p>
<p>How does your goal align with the dealers' vision?</p>	<p>It lines up perfectly as these are the expressed wished of the Dealer. We need to get to a point where we are not chasing surveys at the end of each month. In addition, we need to take a more active role in the New Vehicle Inventory. Turn Rate is paramount in becoming profitable in this market. The quicker we turn the inventory, the more money we make. This will also keep our overall floorplan expense down. With rates where they are we are spending a small fortune in interest charges each month.</p>		
<p>What are the potential benefits of achieving your goal?</p>	<p>The benefits of achieving our goal is more money for us overall. If we follow the new process for SSI, we will have no issue getting good surveys returned in a timely manner. If we can achieve the score goal, we will be at top tier for Stellantis every month. This combined with the faster turn rate means we sell more cars and by turning them faster our expense will go down as our holding costs will have gone down. Faster turn rate, more advertising credits, more sales equals more money from the SSI, more money for all!</p>		
<p>What are the potential consequences if you don't achieve your goal?</p>	<p>If we cannot achieve our goals, first of all, the jobs of the GM, GSM, and sales managers are on the line. If we deviate from the procedure and skip steps, we will drop on SSI which will make us less money. If our turn rate stagnates, we will end up paying more interest. We will have to turn down new allocation so our credits will decrease and we will again, all make less money.</p>		
<p>Why is the goal important to you?</p>	<p>The goal is important to me for 2 main reasons. It means a lot to be successful in the eyes of your boss. Everyone wants to be the person that got the job done. Believe it or not, secondary in this scenario is we'd all make more money...</p>		
<p>Potential Obstacles</p>	<p>The biggest obstacle is not having 100% buy in for the new procedure. If just one person does not believe in our combined objective, we will fail. This is literally a team effort. Everyone needs to buy into this for it to work. No one is more important than anyone else regarding this. The guy that washes the car, if he screws up it can not only affect the rest of his process, but it can affect customer satisfaction. In addition to that, it can snowball until everything is affected.</p>		
<p>Potential Solutions</p>	<p>To avoid this, we need to have meeting with every department manager</p>		

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	and they all need to realize that none of them are more important than anyone else. They need to believe in what we are doing and realize that it will only work if we all work as a team, together.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Starting out of order. Faster turn rate means selling more cars. If we can increase from 10% to 40%. For us, that equates to selling an extra 30 new cars a month. That could lead to not only the gross on the 30 cars, but potentially, another \$10,500 in just the SSI monies. We'd be paying less interest on the cars overall so that would equate to another \$5k in floorplan interest we would save. It's a snowball in a good way, the better one does the better they all do...It's an exponential increase in multiple areas...

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
Where we are? Go over current SSI. Go over current Floorplan costs and to go over current turn rates.	Access to Dealer Connect and Emails from Stellantis Rep.	GM, GSM, Sales Managers, Salespeople, Finance Managers, Office.	To set up a game plan of where we are with our current numbers.	Starting on 10/16/23 Checking in date of 10/23/23 Checkpoint Date of 10/31/23
Managers to meet and come up with every step of each process. Put into words and train on these procedures every day.	Managers that are willing to put the effort in.	GM, GSM, Sales Managers, Salespeople, Finance Managers, Office.	To take our current numbers and set up the first attainable goal.	First check in date is 10/23/23 and the Checkpoint date is end of month - 10/31/23
Access where we are and either adjust where needed or to put more pressure on to maintain current state. Go	Managers that are willing to put the effort in. Also, an involved OEM Rep is key to this success. If they see you are	GM, GSM, Sales Managers, Salespeople, Finance Managers, Office. Factory Rep also is needed.	To take our current numbers and set up the second attainable goal. OEM Rep will help us with out turn rate and	11/1/23 is the final look for October, next check in date is 11/7/23.

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<p>over allocation around this time to discuss what vehicles are needed to actually increase the turn rate. This is usually when the OEM will take a snapshot of your inventory to know what to offer you on your allocation. Tricky as the allocation are vehicles that are potentially 4 months away.</p>	<p>putting an effort in they usually will go along.</p>		<p>helping us with allocation for future months. You need to prepare accurate forecasts based on several factors. Seasonality, Personnel, type of inventory being offered to you...</p>	
<p>Usually a busy part of the month when it comes to SSI. Biggest survey potential is early in month due to selling most of inventory on last few days of prior month. This also is a good time to settle in with your message based on what inventory is left. Need to adjust some to what you have in stock so your turn rate does not become stail.</p>	<p>Managers that are willing to put the effort in. A factory OEM rep that wants to take part in the dealerships growth. A rep that understands if you do a favor for him, he'll do a favot for you.</p>	<p>GM, GSM, Sales Managers, Salespeople, Finance Managers, Office. Factory OEM rep.</p>	<p>To take our current numbers and set up the third attainable goal. (If needed, might need to maintain) Adjust advertising to fit where your month is going. Whether that be eblasts for vehicles in the ever changing marketplace.</p>	<p>11/15/23 is the next check in date.</p>
<p>Re-access the months current state and be able</p>	<p>Managers that are willing to put the effort in. Also, an</p>	<p>GM, GSM, Sales Managers, Salespeople,</p>	<p>To know approx where your Floorplan will be,</p>	<p>11/23/23 is the check in date for this step.</p>

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<p>to pivot on a dime if needed. Checking in on SSI, turn rate % and how many vehicles we delivered wholesale to you so you can start getting an idea what Inventory credits you will have in the current month.</p>	<p>involved OEM Rep.</p>	<p>Finance Managers, Office Manager. Factory Rep also is needed.</p>	<p>Dollars spent less credits will give you a general idea. How many surveys short you are if any, How the advertising is working which usually kicks in mid month to end of month.</p>	
<p>Re-access the months current state and be able to pivot on a dime if needed. Checking in on SSI, turn rate % and how many vehicles we delivered wholesale to you so you can start getting an idea what Inventory credits you will have in the current month. If we are dipping on our SSI we still have time to adjust and to marshall our resources to get our numbers up.</p>	<p>Managers that are willing to put the effort in. Also, an involved OEM Rep.</p>	<p>GM, GSM, Sales Managers, Salespeople, Finance Managers, Office Manager. Factory Rep also is needed.</p>	<p>To know approx where your Floorplan will be, Dollars spent less credits will give you a general idea. How many surveys short you are if any, How the advertising is working which usually kicks in mid month to end of month.</p>	<p>11/27/23 is the final check in date for this period.</p>

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Access where exactly you finished.	Managers that are willing to put the effort in. Also, an involved OEM Rep.	GM, GSM, Sales Managers & Salespeople	For SSI to be at 990. To have a turn rate of 40%. To decrease our Floorplan Interest to a Breakeven to \$10k.	Final Check Point is 11/30/23

As you work toward your goal, it’s important to have interim check points with specific, measurable objectives so your team can hold themselves accountable. If everyone knows the goal and objectives, you don’t have to spend your valuable time micromanaging.

Once you’ve accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

All of the relevant procedures have been typed out and gone over multiple times. In the beginning it was every day, After a few weeks it went to once a week. What we must do to not fall into the normal rut is to have managers meetings once per week to go over any mishaps, and numbers that do not make sense or simply just to let the other department managers know how other departments are doing. This is key to retaining the feeling of one cohesive team...

Describe any planning or implementation meetings conducted as part of development of your plan.

We held a meeting on the first check in date, all of the relevant personnel. Office had to Zoom in as they are not in the building. We brainstormed at first and then I, (GM), typed out all the relevant procedures from our session and we followed that up with a implimentation meeting a few days later. Then it turned into meeting once a week but the GSM and Sakes Managers were on the salespeople every day. We even came up with an exit interview as another stop gap to make sure our sales people did what they were supposed to regarding their new procedures. Even after we are hitting our objective month in and month out, it will be important to still get together every week. Even if just to remind ourselves we have a job to do...

Sponsor Signature: _____