

ACTION PLAN 1

- S** Specific
M Measurable
A Achievable
R Relevant
T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

I will decrease pre-owned inventory days supply from 102 days to 60 days by 03/31/2024 so we can in-turn have higher profits on fresh vehicles and less wholesale loss.

BOTTOM LINE: Benefits of Achieving Your Goal

- * I will have less distressed inventory in stock
- * I will have higher profits on fresh vehicles in stock.
- * I will have less wholesale loss on aged inventory.
- * We again invest in more inventory and sell the second vehicle within the next 30-60 days will take in more trades by turning units quicker, this in-turn will increase the overall profit of the used car inventory.

*I will keep the used car inventory moving as it is essential to running a profitable dealership and we will enjoy improved salesperson morale.

01/01/2024 Current 102 Days pre-owned inventory days supply

When will you start? _____

Consequences of Not Achieving Your Goal

- *I will have distressed inventory in stock
- *I will always be running behind trying to work my way out of inventory problems and dealing with inventory that is not at current market value.
- *I will continue to have higher wholesale loss.
- *I will continue to have lower profits on aged inventory and the possibility of heavy losses on high dollar aged inventory that depreciates at a higher percentage.
- * I will have every salesperson walking around the aged inventory because they think there is no money in the vehicle.

How will you gauge your progress? When? Using which metrics?

- *90 Day's inventory days supply by 01/31/2024
- *75 Day's inventory days supply by 02/29/2024
- *60 Day's inventory days supply by 03/31/2024

What specific actions will you take to achieve your goal? Who can help you?

- * I will need to invest in a good Inventory Management System
- * I will have a dedicated reconditioning technician for used car department so we can decrease the time-to-line by implementing daily processes and procedures so we can streamline the reconditioning process.
- * I will have a marketing and advertising plan in place that can increase market share.
- * I will keep a regularly updated list of the top 10 oldest cars in my used car inventory and establish an ongoing incentive connected to those specific vehicles.
- * I will have a professional photographer take flattering pictures and have them up on the website within 72 hours.
- * I will perfect each vehicle before it goes on the lot, because one mistake could cost you a sale.
- * I will have weekly sales meetings to get the team on board and explain to them why it's so important to sell vehicles as quickly as possible and how if they are not turned in the appropriate time it can have a negative effect on the business.

Potential Challenges?

- * I get pushback on the change that needs to happen from my GSM and Owner.
- * My dedicated used car technician doesn't follow the process and procedures set in place.
- * My salespeople are not buying into the process.
- * My other managers and owner not accepting heavy losses on the vehicles that need to be moved either by losses at the store or the auction so we can be positioned better for the future.

Potential Solutions?

- * Show the Owner and GSM that by taking necessary steps and following a process and procedure will increase profit in the long run.
- * Incentivise the used car technician to get him to follow the process and pump more used vehicle inspections out.
- * Restructure pay plans for salespeople that sell aged units receive a bonus at the end of the month.
- * Show the managers and owner that taking losses now by reducing the inventory levels by working through aged inventory first is essential to positioning are store for *success for the future.*