



## HOMEWORK ACTION PLAN

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

Name <u>Sam Calvetti</u>	Class # <u>428-27</u>
Dealership <u>Tyrrell Chevrolet</u>	Date <u>1/23/2024</u>

Current Situation or Challenge to be Addressed:	Days supply of new and used vehicles too high. Turns are declining effecting GROI.		
Current Performance Level (include specific measure):	New days supply is at 54 days (1.8mos). Pre-owned days supply 51 days (1.7mos). Only 6 turns per year.		
Goal (what do you want to achieve?)	To stock best "In Demand" inventory at proper dollar levels. Reduce number of over age units.		
Goal Performance Level (include specific measure)	New days supply to be 45 days at 8 turns per year. Used days supply to be 30 days with 10-12 turns per year.		
Goal Start Date:	1/16/2024	Goal End Date:	4/30/2024
First Check-in Date:	1/31/2024	Performance Objective:	New days supply 50 days. No new inventory > 100 days. Used days supply 50 days. No used > 90 days.
Second Check-in Date:	2/29/2024	Performance Objective:	New days supply 50 days. No new > 90 days. Used days supply 45 days. No used > 90 days.
Third Check-in Date:	3/31/2024	Performance Objective:	New days supply 50 days. No new > 60 days. Used days supply 45 days. No used > 60 days.
Fourth Check-in Date:	4/30/2024	Performance Objective:	New days supply 45 days. No new >60 days. Used days supply 30 days. No used > 60 days.
How does your goal align with the dealers' vision?	To serve our customers & community with quality vehicles that fit their lifestyles at the time of need.		

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What are the potential benefits of achieving your goal?	To maximize GROI by providing the highest "In Demand" inventory. Happier sales people making more money. Increase in total store profit through more turns.
What are the potential consequences if you don't achieve your goal?	Status Quo. Nothing gets better. Large wholesale losses. Loss of sales people and managers. Lost opportunities in fixed ops
Why is the goal important to you?	Better inventory management frees cash flow for capital improvements and store growth. Better CSI and greater Y/E bonuses.
Potential Obstacles	Inability to dispose of over-age units while minimizing losses. Change in management philosophies and willingness to change processes. Old school managers not willing to utilize VAuto as a key tool.
Potential Solutions	Price fresh inventory aggressively while deep discounting over-age units. Source new, fresh inventory thru service drive. Schedule Dale Pallack for VAuto manager training.
<b>BOTTOM LINE!</b> Financial Impact of Achieving Your Goal (expressed in dollars)	<p><b>New vehicle potential:</b> By maintaining our current gross profit of 7% and increasing our turns from 6 to 8 we could expect a 14% increase in GROI which equates to an additional \$112,000 gross profit.</p> <p><b>Pre-owned potential:</b> By maintaining our current gross profit of 11% and increasing our turns from 6 to 10 we could expect a 44% increase in GROI which equates to an additional \$400,000 in gross profit.</p> <p>The increase in new and used turns would allow the service dept. opportunity for UCI's and PDI's on an additional 240 units which could generate an additional \$300,000 in labor gross profit and parts.</p> <p>Total combined opportunity would be \$712,000 per year.</p>

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
Evaluate condition of over age vehicles	Initiative	Used Manager	Separate retailable units from wholesale	1/16/2024 start 1/31/2024 end

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Change pricing strategy based on VAuto	VAuto	Used Manager	Retail over age units with minimal front end loss. Provide F&I opportunity.	1/22/2024 start 1/31/2024 end
Send non-retail units to auction or whsl.	Auction/Wholesale contact	Used Manager	Free dead capital to purchase fresh inv.	1/26/2024 start 2/15/2024 end
Update website pricing	SEO/SEM	BDC Manager	More lot traffic/apptmts.	2/1/2024 start 2/15/2024 end
Offer "Free Appraisal" in service drive.	Qualified employee	Svc Manager/Used Manager	More trades/More sales	2/1/2024 start 2/28/2024 end
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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.

Monitor over age units weekly. Reprice weekly. Create a vehicle exit strategy for age intervals 30,45 and 60 days. Monitor stocking levels in units and dollars monthly. Measure turn rate quarterly. Hold managers accountable for goals.

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

Met with Dealer as to overview of current aged inventory situation. Discussed use of VAuto and need for Dale Pallack training. Discussed disposal plan with GSM and Used manager. Auction pricing is plummeting weekly. MMR is \$2k-\$3k below wholesale book. Will enhance sales persons incentives and discount pricing to move over age units while attempting to hold F&I



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gross. Working with Used manager and Service mgr to implement appraisal program on servcie drive.

Sponsor Signature: \_\_\_\_\_