



HOMEWORK ACTION PLAN

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

Name <u>Jeff Schaerer</u>	Class #	<u>430</u>
Dealership <u>Washington Ford</u>	Date	<u>2/15/2024</u>

Current Situation or Challenge to be Addressed:	Implementing a hard turn for this dealership and sticking to it going forward.		
Current Performance Level (include specific measure):	Currently we don't have a turn at all. With that said, we've always put ourselves in a position to blow out aged inventory when it becomes "too old", causing our profit to be drastically affected.		
Goal (what do you want to achieve?)	I currently have 95 pre-owned vehicles on the lot with 29 of them over 100 days old.		
Goal Performance Level (include specific measure)	We need to be proactive rather than reactive. We need to sell off (auction, direct, wholesale) these vehicles that are over 100 days old so we can get this inventory under control. Can't start soon enough.		
Goal Start Date:	3/1/2024	Goal End Date:	5/31/2024
First Check-in Date:	3/15/2024	Performance Objective:	Have 1/3 of vehicles over 100 days sold and delivered.
Second Check-in Date:	3/29/2024	Performance Objective:	Have 2/3 of vehicles over 100 days sold and delivered.
Third Check-in Date:	4/12/2024	Performance Objective:	Have remaining vehicles over 100 sold and delivered.
Fourth Check-in Date:	4/12/2024	Performance Objective:	Assess inventory level and age of inventory to see the next target batch of vehicles that is creeping up their in age.
How does your goal align with the dealers' vision?	The difficult part is implementing a hard turn when you've never had one and how to exactly start that when you have vehicles that are well over your hard turn objective of 100 days.		

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What are the potential benefits of achieving your goal?	To start, I thought of setting the hard turn at 100 days initially. Once we are able to obtain this goal, then lower it to 75 days. The finally settle in at a 60 day turn. Being able to turn the inventory over every 60 days will keep floorplan expenses down, constantly refreshes the inventory and builds the sales model of success.
What are the potential consequences if you don't achieve your goal?	If we aren't able to achieve our 60 day turn we will pay more in floorplan expense, suffer from the ever changing market / prices and stale inventory.
Why is the goal important to you?	It's important so we can finally get our inventory under control and control our own money.
Potential Obstacles	Sticking to the process and not letting units get past the threshold of 100 days. Waiting on titles or parts delaying the process and coming out of the shoot at 45 days or more.
Potential Solutions	Wholesale a vehicle that we cannot get a title for. Tying the managers pay to aged inventory / turn.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	I currently have \$779,154.00 tied up in the 29 vehicles I have over 100 days old. Freeing up this amount of money that we can not pay interest on and reinvest in fresher inventory is paramount. That's an average of \$26,867.00 / vehicle.

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
Utilize market tools / data for more accurate pricing so we don't put ourselves behind the 8 ball.	We signed up with Vauto for their used pricing tool. Days supply, days to market	UCM GSM GM	Faster turn Fine tuning numbers on trade ins	Daily price checking / adjusting of inventory dictated off the market
Hired Internet manager to	All 3rd party sites leads	Internet manager UCM, GSM, GM	To be able to close more leads	Everyday

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spearhead all incoming leads. Set appointments, weed out all the bad leads and deliver leads to salesman		Salesmen	through Internet manager filtering through the leads and setting appointments for the sales staff.	
Installing chat feature	Ford Direct	Salesman, UCM, GSM, GM and Internet manager	Quicker / easier communication with the potential cust	everyday
Tie managers pay plan to hard turn number	Their paychecks	UCM, GSM	Moving vehicles before the 100 day mark, then 75 days, then 60 day turn	Daily awarness of the inventory so vehicles don't slkip through the system.
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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.

Having the daily sense of urgency where not taking a day off from checking the inventory is crucial. With the market in an ever chaning state of flux, we cannot allow the vehicles to "sell themselves". We will take into consideration the market days supply, days to market, cargurus, autotrader cars.com etc when they show us the guides in pricing to take out vehcile from a good price to a great price. If the market days supply is low then we can be aggressive right out of the shoot and adjust from there. If the days supply is high then we need to put the vehicle on the

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money right away and move it down the road and don't hold out for "better money". These vehicles are investments, we have to be better at knowing when to sell them.

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

Between my GSM, UCM and myself we all have a pulse on the market and our inventory. Communication between the three of us is the key. We have to always be involving each other constantly so we can make the best informed decisions for the company. Turn and burn.

Sponsor Signature: _____