

Departmental Action Plan

Student Name: Jeff Huvaere

Class & Student Number: 333-22

Academy Week: 4

Current situation or challenge you want to address:

Aging inventory and turn. This is not a desperate issue; however, if not constantly monitored the situation could get worse.

| Days in Inventory | Count | Investment | | Adj % Cost to Market |
|-------------------|------------|---------------------|------------------|----------------------|
| | | Total | Average | |
| 0-20 | 44 | \$474,999* 21% | \$14,394* | 77%* |
| 21-32 | 41 | \$508,942* 23% | \$14,969* | 81%* |
| 33-45 | 31 | \$487,791 22% | \$15,735 | 84% |
| 46-60 | 10 | \$179,299 8% | \$17,930 | 84% |
| 61-70 | 13 | \$291,570 13% | \$22,428 | 86% |
| 71-80 | 1 | \$21,052 1% | \$21,052 | 106% |
| 81+ | 17 | \$270,785 12% | \$16,924 | 93% |
| Total | 157 | \$2,234,438* | \$16,192* | 83%* |

Overall Objective and Specific Desired Results:

The desired objective is to clean up the current aged inventory (over 60-day vehicles) these specific units account for under 20% of the total inventory however, these are also the most expensive average cost inventory we have. Moving on with these aged pieces and reinvesting the dollars into more desirable lower cost / faster moving inventory will increase turn, ROI, and volume, while lowering Days' supply and total inventory cost.

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

Currently our average inventory cost per vehicle is \$16,192. In our most successful "Turn" months the average cost per vehicle has been around \$14,500. The objective is to get the average cost back to that figure. In order to do this, we will have to get more aggressive earlier in our pricing structure of the higher cost vehicles. By doing this 3C63RRKL6DG578207 and focusing the vehicle purchases to a more budget minded platform we will achieve this target!

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

Starting this Action plan August first, we should achieve the low \$15,000's by September 1st, moving to the completion of the Target of \$14,500 by October 1st.

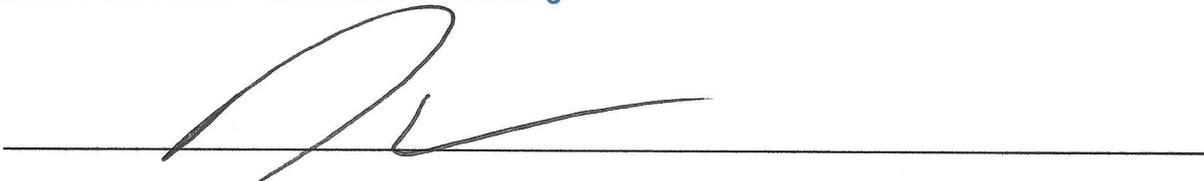
Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: Jeremy Johnston (Used Car Manager)
- b. What: Explain the Business plan of Velocity, and how we get to the Objective
- c. By When: Complete, Jeremy is new to the used car department, and is 100% on board with the process
- d. How: I plan to get Jeremy some Vauto, and Tommy Gibbs training as the courses become available.

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:

A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be the name of the person who completed the action plan.

