

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?

We want to set a higher standard for ourselves in accounting, creating a better experience for our customers and sales team. We start by committing to reduce our late-registration penalties from \$37,000 monthly to \$1,500 monthly. We will do this starting with the ending of the March 2024 month.

We will reduce to \$1,500 monthly starting with the ending of month March 2024. See last sentence above. Starts March 1 with goal of reducing by EOM.

BOTTOM LINE: Benefits of Achieving Your Goal

Consequences of Not Achieving Your Goal

PRIMARY: Savings to company of \$450,000 annually in avoidable late-fees.

Company will continue paying approx \$450,000 annually in late fees for registrations

PRIMARY: Getting our customers their plates quicker.

It will take longer for our customers to get their license plates, which creates confusion and frustration on the customers part, as well as frustration on the salesperson's part for having to re-print temp. tags because the first one expired.

SECONDARY: Setting a higher standard of what is acceptable for our team members. We are better than this.

Viscious cycle of laziness. If we let this be okay, it creates laziness in another

When will you start? March 1, 2024

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

We will audit vehicle registrations daily. We use an internal report couples with DMS data to produce a number of vehicle registrations not filed 2 business days after closing in F&I.

Any number greater than 0 is unacceptable.

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

- 1) We will start using the report we already have, so we can track registrations on a daily basis. Controller is responsible
- 2) We use FIFO approach to deal registration. We have. LIFO approach now (deals stay on the “bottom of pile”). Controller will fix this
- 3) We will commit to not accept a deal in accounting that is incomplete. F&I is responsible for sending completely done deals to accounting, without missing documentation. Anything missing documents is charged \$100/day to the F&I manager until it’s complete. Our F&I director owns this
- 4) We will have a conversation with our County title office about what we can do to streamline registrations on our end and make their work quicker. I will own this (Andrew)
- 5) We will incentivize and penalize our internal title team for registration performance. Bonuses are tied to performance. Late fees (that are purely accounting’s fault) are charged back to that team. I own this (Andrew)

Potential Challenges?

- 1) Team Morale. It has to be a WIN for accounting and F&I. We have to celebrate their progress. It’s a little “stick”, but a little “carrot” too
- 2) We are doing a 180 in terms of title work expectations and processing speed. We have 3 months to catch up on in 3 weeks time. Team will need to work overtime to get just to a place of caught up
- 3) We can’t rush ourselves. if we make a mistake, the County Title Office will send the deal back, creating another problem.

Potential Solutions?

- Better customer experience (quicker plates)
- Better relationship between sales and accounting
- Savings to company of approx \$450,000/ year
- Holding ourselves in F&I and accounting to a higher standard, resulting in higher expectations and performance across the