

Departmental Action Plan

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Class & Student Number: N333 24

Academy Week: Week 4 June 11- June 15

Current situation or challenge you want to address:

Our current challenge is lost market share with new vehicles retailed. It stems from the lack of competitive pricing online and the way new car leads are handled by the internet department.

Overall Objective and Specific Desired Results:

Our overall objective is to be even to minus 5% of prior year new vehicle sales. Toyota is down 10% of prior year. We would like to streamline our internet department process and begin pricing new inventory using the conquest tool in V-Auto. Combined, we feel these adjustments will give us the desired results we are looking for.

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

We will use the conquest tool in V-Auto to price our new vehicle inventory. We will focus on aggressively pricing core product which includes Corolla, Camry, Rav4 and Tacoma. These models are the ones Toyota primarily pushes. We will be priced at invoice minus rebates on any core product. There is a covenant agreement with Toyota that prevents all Toyota dealerships from pricing below invoice. However, not all dealerships are pricing new inventory online so we feel we will be ahead of the curve. By doing this, we feel we will increase our organic internet leads by pushing customers to our website. We will also begin picturing all of our new vehicle inventory. This will allow our customers to view the actual vehicle they are interested in.

For the new vehicle pricing, we will be able to view the conquest tool as a guide to where competitive vehicles are being priced. We will know which vehicles are pictured, priced, color etc. This is something that can be measured on a daily basis and adjustments can be made on the fly. To see its effectiveness, we can measure lead counts and new volume compared to prior year and prior month.

To increase new vehicle volume using the internet department, we will employ the following strategy. We are going to measure our initial lead count and make sure we have our internet department staffed properly. We would like each internet sales person to receive between 75-85 leads each per month. Anything over this we feel leads aren't worked properly. Once we have established how many people we need to staff properly, we will begin to monitor how the leads are being responded to. The response time should be 10 minutes or less and the response should be of high quality and answer the customer's questions. We would like to have an

overall closing ratio of 10% or higher on new vehicles. We are going to implement \$200 flats on all new car internet deals which should ensure the leads are being worked properly. The internet manager will be involved in every internet lead, monitoring how the lead is responded to and coaching along the way.

When we started this process we were closing 8% of our new vehicle leads. We closed 13% in July. Overall, we feel we have a realistic plan which will help increase our new vehicle volume. We will continue to make adjustments as needed and hold all parties involved accountable.

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

The timeline will begin 7/1/2018 and will be monitored during the month using tracking reports and internet reports. We will recap the progress and make proper adjustments at the beginning of each following month. We will be able to use factory information from the previous year's business to set gauges to follow. If we see an increase or a stabilization in new vehicle we are getting the desired results. We will also be able to monitor what vehicles are not being priced in Conquest on a daily basis. If we don't feel we are getting the desired results, we will adjust along the way by being proactive and not reactive

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: New vehicle manager, used car manager, sales personal, internet department.
- b. What: The training will include, but not be limited to, V-Auto Conquest, an aggressive nature of trading for inventory, how leads are responded to and worked. Our follow up will also need to be improved and we plan on using Eleads CRM to help with this aspect of the process.
- c. By When: This will go into effect immediately. The start date will be 7/1/2018. The plan should be completely implemented and in action by 8/1/2018.
- d. How: Once the process is in use, the management team will hold the sales staff accountable by using the tools provided- Eleads, Conquest, monitoring closing ratios and overall new vehicle volume. At the close of each month, we will utilize a performance evaluation with each person responsible in the process.

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:
