

# Departmental Action Plan

Student Name: Geoff Phinney

Class & Student Number: N-333-44

Academy Week: 5

## **Current situation or challenge you want to address:**

Our used car volume is the challenge we will address. Since the store was purchased 2 years ago we have been making strides in all departments. We feel that the used car department has a long run available and we will be looking at capitalizing on the full potential of the department.

## **Overall Objective and Specific Desired Results:**

Increased profitability in the used car dept., increase units from 234 to 456

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

In order to achieve this, we will need to increase our "turn" ratio to a minimum of 14 turns per year.

To increase the turn and gain momentum we will need to maintain a very aggressive pricing strategy and focus on overall volume. A strong focus on market day supply when evaluating trades and purchasing

PLUS, a very aggressive online presence will help turn the inventory based on supply and demand.

To track progress our V-Auto system will be a major influence for the used car department as well as a very hands on approach for vehicles in inventory.

The trade cycle board that has been created will also play a significant role as a visual for incoming units including a time outline of days in recon to market ready.

Measurements for these will be as follows:

KPI's for turn: Aggressive pricing strategy: i.e. 0-15 days 98% of market price, 16-30 days 96% of market, 31-45 days 94%, 46-60 days 92%, 61-75 days 90%, 76-90 days 88% or less / wholesale or liquidate.

Ultimately moving our days in inventory to 61-75 days max will be needed in order to keep inventory current and alleviate inventory getting "stale".

Another measurement for this will be a monthly financial statement provided by our Comptroller. This will keep both him and the used car manager on the "same page" in regards to accountability and moving product.

Another plus will be the ability to visually see where things can be improved for overall monthly gross.

Measurement for the trade cycle board will be a daily occurrence.

Focusing on this will create a faster presence to the market and ultimately giving us the ability to sell that car at a faster pace as it puts pressure on the service dept. to get the vehicle in and out of service ASAP.

TARGET = 7 Days  
NOV = 16.8 DAYS !!!

FREDERICTON TOYOTA		TRADE CYCLE										
DATE TRADED	YEAR	MAKE	SE #	MODEL	RMS	IN RECON	RECON COMPLETE	IN DETAIL	DETAIL COMPLETE	PICS DONE	ONLINE	DAYS TO COMPLETE
11/04/17	2015	Toyota	50388	4690		Jan 11	Jan 6	Jan 4	Jan 4	Jan 3	Jan 6	13
12/04/17	2013	Toyota	50388	104,540		Jan 6	Jan 7	Jan 6	Jan 6	Jan 6	Jan 6	18
11/20/17	2008	Jeep	104,540	132,823		Jan 2	Jan 2	Jan 2	Jan 2	Jan 2	Jan 2	7
12/07/17	2014	Toyota	50388	28,288		Jan 1	Jan 12	Jan 12	Jan 15	Jan 15	Jan 15	6
12/12/17	2016	Toyota	50388	23,462		Jan 14	Jan 14	Jan 15	Jan 17	Jan 17	Jan 17	6
12/14/17	2009	Jeep	50388	33,305		Jan 19	Jan 18	Jan 18	Jan 18	Jan 18	Jan 18	29
12/14/17	2013	GMC	50388	16,247		Jan 2	Jan 2	Jan 2	Jan 2	Jan 12	Jan 12	25
12/14/17	2015	Ford	15-2227	99,552		Jan 25	Jan 29	Jan 29	Jan 29	Jan 29	Jan 29	21
12/11/17	2014	Toyota	14-2615	57,681		Dec 23	Dec 23	Dec 25	Dec 25	Dec 25	Dec 25	7
02/02/18	2015	Jeep	50388	30,516		Jan 2	Jan 2	Jan 2	Jan 2	Jan 11	Jan 11	9
12/11/17	2009	Toyota	50388	130,000		Jan 2	Jan 7	Jan 7	Jan 11	Jan 11	Jan 11	22
12/03/17	2016	Toyota	50388	104,000		Jan 2	Jan 2	Jan 2	Jan 2	Jan 12	Jan 12	9
Jan 4/18	2008	Toyota	104,000	75,000		Jan 7	Jan 11	Jan 12	Jan 12	Jan 15	Jan 15	11
01/11/18	2008	Jeep	104,000	116,674		Jan 12	Jan 17	Jan 17	Jan 17	Jan 17	Jan 17	11
01/15/18	2011	Dodge	104,000	102,500		Jan 2	Jan 2	Jan 2	Jan 2	Jan 16	Jan 16	22
11/01/17	2015	Jeep	50388	101,101		Jan 2	Jan 2	Jan 2	Jan 2	Jan 16	Jan 16	22
11/01/17	2015	Jeep	50388	102,330		Jan 22	Jan 22	Jan 22	Jan 22	Jan 16	Jan 16	22

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

We will need to track this daily, weekly and Monthly.

Daily will be time through the shop for recon and getting this to a reasonable level. This is currently too long and is a negative in the department.

Weekly we will monitor the units delivered. Monthly we will look at turn and where we are at compared to our overall goal.

**Meeting with Stakeholders (dealership personnel)**

All employees in the sales and service department will be involved and impacted.

Sales will need to consistently learn about product knowledge for all brands in order to compete in the used car market. With a stronger presence this will directly impact there pay selling more used vehicles.

Service will be impacted and involved as well as a faster recon will play a major role in increased turn. This will increase profitability in the service dept. with more vehicles through the service center. Again directly increasing profitability in the service departments bottom line as well as increasing the wages for all techs performing the required work on vehicles.

Training and assistance in both departments should / will be ongoing!

**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:

The meeting went as expected and that the Action Plan is achievable and We have full support to from my sponsor.

---