

# Departmental Action Plan

Student Name: Jimmy Macagna

Class & Student Number: N333

Academy Week: Used Vehicles

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

Our current situation/challenge is sourcing inventory. Mercedes-Benz is going through an inventory issue and there is a nationwide scarcity of inventory. In my eight years here I have never seen inventory levels this low. In turn this is affecting our lease returns we are receiving. Most if not all of our inventory is sourced through lease returns or customer trade in vehicles. We need to find a way to increase our inventory especially with the condition of our new car vehicle inventory.

We are turning our inventory extremely fast and efficiently, due to the extremely low inventory levels on the new car side.

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

Our current objective is to obviously grow our inventory. We currently have 42 Certified Pre-Owned vehicles and 47 CVPs (or ex-loaner vehicles). Our objective is to at least have 100 CPO vehicles and 50 CVP.

We are currently at the desired inventory number with our ex-loaner vehicles but have a long way to go with our Certified Pre-Owned Inventory.

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

We don't believe there is one way to do this and our approach is multichannel:

Work MB On Demand – Portal where we can purchase vehicles from the manufacture. Only problem with this is auction is the vehicles are either overpriced or not desirable vehicles. Our managers are to virtually attend each online auction.

End of Term Customers – As I stated earlier almost all of our vehicles are sourced through trade-ins and lease returns. Strong focus on our customers that are approaching lease end termination and ensure they are not only purchasing a new vehicle from us but also returning the vehicle here if they decide to purchase elsewhere.

Service Not Sold Customers – Work our service lane for customers who service with us that did not purchase with us. We have a data mining tool that will inform us when a customer who didn't purchase from us comes in for service. Our BDC contacts them and our sales person is in the drive working them. This is another great way source vehicles.

Attend Live Local Auctions – We have never done this in the past, but we might have to go forward. Go to live auctions and sourcing vehicles there.

For Sales By Owner: Looking through listing sites like Cars.com, Cargurus, autotrader, facebook marketplace for vehicles that are being sold by owners.

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

**Short Term Plan:** Specifically for the short term plan is to work with our Sales staff and BDC reps to focus on the EOT customers to ensure we are receiving their vehicles regardless if they purchase or not. BDC Managers and Sales Managers will ensure this is completed. Working the service drive has already begun and is yielding some results. We are also going to create an advertising campaign focusing on purchasing used vehicles. Pre-Owned Sales manager to create a daily plan to look through listing sites for vehicles being sold by owners.

**Long Term Plan:** Creating an eternal process with the live and online auctions. If the end of term customers. Weekly meetings to monitor if these short term plans are being accomplished. With all of these short term goals in place our PO inventory should grow.

### **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: GSM, Sales Manager, BDC Manager, and Pre-Owned Manager

- b. What: Consistant improvement and implementation of the tasks outlined above.
- c. By When: 12/31/2018
- d. How: Weekly progress reports to be submitted to the General Manager. Daily communication with all parties involved 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:

This topic has been addressed in our prior weekly meetings so the concept was not new, and the plan was embraced by all participating managers. We all left the meeting feeling like we have a solid plan in place.

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