HOMEWORK ACTION PLAN

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Dealership Town Toyota Date 5/29/2024

Current Situation or Challenge to be Addressed:	Managing inventory, not investments.		
Current Performance Level (include specific measure):	Lack of turn (or even aging) policy, so old and dead inventory dollars ($907,841) exceeds at risk ($316,671) and fresh ($860,171) inventory dollars. Have a number of vehicles that have been in inventory for over 100 days with no exit plan.		
Goal (what do you want to achieve?)	Decrease old and dead inventory dollars from $907,841 to zero by 12/31/24 (and maintain this).		
Goal Performance Level (include specific measure)	Follow a hard turn policy, to keep old and dead dollars out of the question - only keeping select vehicles over 45 days if they are platinum vehicles/vehicles are still able to reach maximum or acceptable ROI between 45-60 days. Also following rolling 30 and prioritize calculating MDS during acquisition to keep an in-demand inventory.		
Goal Start Date:	6/3/2024	Goal End Date:	12/31/2024
First Check-in Date:	6/24/2024	Performance Objective:	Complete inventory analysis.
Second Check-in Date:	7/22/2024	Performance Objective:	Have everyone on the same page on why the change is happening and benefits/consequences of accomplishing goal/failing to accomplish goal.
Third Check-in Date:	9/23/2024	Performance Objective:	Have new practices/processes in written format, and accessable. Have everyone trained on new practices and processes. Execute an exit plan on all vehicles that have old/dead inventory dollars.
Fourth Check-in Date:	11/25/2024	Performance Objective:	Assess for any adjustments needed to new practices/processes.
How does your goal align with the dealers' vision?	This goal aligns with the dealer's vision of employee needs being met to achieve excellence. When the team knows why changes are being made, and believe in those changes as much as the dealer, then everyone is being set up for success. Enhancing our sales processes to		

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	decrease dead dollars will begin with everyone seeing the potential these changes can bring about.
What are the potential benefits of achieving your goal?	Benefits: - Higher ROI - Higher department gross - Higer turn rate - Better processes/practices department and store-wide - Decreased time to line - Improved acquisitions - Increased employee satisfaction & retention - Investment analyst mindset throughout the department & store - Increased customer satisfaction & loyalty - Keeping an in-demand inventory on the lot - N/V sales for profit - Decreased expenses (commissions, recon, depreciation) - Positive net profit/improved profitability
What are the potential consequences if you don't achieve your goal?	Consequences: - Stuck in an inventory/sell more to make more, mindset - Falling behind the industry - Net loss per vehicle/decreased profitability - Lower and lower turn rate - Decreased satisfaction (employee and customer) - Stick with an age policy mindset that will put us behind the competition - Little to no ROI/poor investment decisions that could lead to the eventual closure of the store - Distressed inventory with over-aged units
Why is the goal important to you?	I plan on being a third-generation dealer and keeping only fresh dollars/units on our lot is going to be an important, necessary step to participating in the new math of selling vehicles.
Potential Obstacles	Obstacles: - Pushback from management/sales team - Painful transition to a rolling 30
Potential Solutions	Potential solutions: - Start with the 'why' of it all - have clear communication on why it is important to make these changes - Start small instead of trying to rid all poor investments at once. Find the five worst investments in inventory and get rid of them. Repeat this until all poor investments are gone.

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BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Decrease in dead dollars: $907,841 Projected, potential net increase (annual sales dollars, if U/V turn is +5.5): $3,886,080

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
Inventory Analysis	Inventory data, analytics tools/spreadsheets, CRM data - track aging/ pricing history/ mrkt demand/ etc.	Sales management, GM, and myself	Identify poor investments & determine how they became poor investments.	Start: 6/3/24 End/Checkpoint: 6/24/24
Meet with GM/DP / and management, and write up new procedures/processes on shared format	GM/DP input, Teams shared documents, inventory analysis data, V-Auto inventory data (history and current)	Myself, GM, DP	Be on the same page about how to decrease dead dollars and maintain fresh dollars (via implementation plans with management and written process/procedure documents for the team).	Start: 6/25/24 Checkpoint: 7/22/24 End: 7/29/24
Establish turn policy and rolling 30-day inventory concept	Industry benchmarks, best practices guidelines/KPI expectations, input from sales & F&I management, and GM & DP input	GM or DP	Define KPIs and guidelines for inventory turn.	Start:8/5/24 End/: 9/2/24
Repricing & Remarketing	Vehicle pricing software or comprable market pricing data, online auction platforms, access to remarketing	Sales management and GM	Attract buyers for aged inventory, and begin getting rid of worst investments, evaluate market trends.	Start: 9/3/24 End: Ongoing

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SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
	platforms/campaigns (with budget, for digital remarketing campaigns)			
Adjust acquisition strategy	Market research data on customer preferences and demand trends, relationships w/ reliable suppliers and wholesalers, inventory analysis data	Sales management	Acquire optimal inventory mix and understand market demand.	Start: 9/3/24 End: 9/16/24
Train sales teams on new policies, procedures, and strategies	Dale Pollak and Gross Deception, support from leadership/ management	Sales management (and Dale Pollak via Gross Deception)	Help team gain knowlegde on how to turn the right vehicles at the right time.	Start: 9/17/24 Checkpoint: 9/23/24 End: Ongoing
Monitor and adjust as needed	Reporting/analytics tools or from DMS, regular reviews and/or meetings to discuss performace and data	GM, Sales management, and myself	Monitor effectiveness of change and make informed adjustments - to improve from data and feedback given.	Start: 11/25/24 End: Ongoing

As you work toward your goal, it's important to have interim check points with specific, measurable objectives so your team can hold themselves accountable. If everyone knows the goal and objectives, you don't have to spend your valuable time micromanaging.

Once you've accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

We will put an emphasis on written processes/procedures. Right now, most of our management goes off what they know and have known for years to teach those in their department. This is a dangerous game we are playing, because no one knows how outdated any of this handed-down knowledge is, or if it is even complete information. Our sales managers are amazing for all they do keep up with (which, there is a lot), but they are human too, and they don't know what they don't know... and we also don't know what they don't know, unless it's written down. To avoid any gaps in knowledge, each process/procedure will be written down for the sales team to learn from and refer to for any regular updates. Whether it be an update to the month's incentive hot sheet, or an update to the flow of the internal sales process, everyone will be on the same page about the why and the how of the way things are done.

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Of course, this will take some getting used to at first. Once the new processes/procedures for a rolling 30-day inventory are to take affect, we can utilize Microsoft Teams to have management train their sales teams via Teams documents on what that will look like and how to maintain it. Giving them a visual platform (with examples) to audit the worst investments and share ideas on how to gain better ones moving forward. Eventually, the process of going back to the written procedures will be a major step in this new process. Then during the manager's meetings, the sales and all other department management as well, can share all major and/or relevant updates from their written process/procedures to see how we can maintain and improve on what has already been written out. That just leaves a quarterly audit of all processes/procedures to see which are still relevant and which have not been needed.

Through team involvement and management collaboration, everyone is held accountable to this new, written format, making a quarterly audit just a small block of time during one monthly manager's meeting.

The nice flexibility that comes with Teams is that certain individuals can be allowed to update these procedure manuals for each team or task. So as we improve and evolve with our market, so can our written processes/procedures.

Describe any planning or implementation meetings conducted as part of development of your plan.

Initial meting with GM and DP: to go over current net profit/loss to potential maximized net profit, why a new way of inventory management is key to making a differnce, and how that difference can be made in our store.

Initial meeting with management: to go over the reasoning behind the hard turn policy/rolling 30-day inventory, why market day supply is crutial in acquisitions, and why dead dollars are a silent profit killer.

Follow-up meeting with management: After they have had a little time to gather their thoughts and do their own research about the topics at hand (in case some or all concepts are new to them - it is part of the "new" math to selling vehicles, after all). Discuss any oppositions to the change and explain in more detail the benefits and consequences of following or not following this new mentality to vehicle sales.

Meeting with GM/DP/management: To go over how to approach the sales team regarding the new processes/proceedures that will be taking place, why it is a good change, and how it will specifically be a good change for each of them.

Meeting with GM and management: After changes have been made to any policies, processes, and proceedures. To see where improvements can be made, and where progress has already taken place. Then celebrate the small victories!

Meeting with GM/DP/management: Quarterly, go over any challenges that need to be addressed, and check-in on progress of decreased dead dollars and increased net profit per vehicle.

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