



HOMEWORK ACTION PLAN

S SPECIFIC
 M MEASURABLE
 A ACHIEVABLE
 R RELEVANT
 T TIME-BOUND

Name <u>Marty Lustgarten</u>	Class # <u>N443</u>
Dealership <u>Martin Honda (DE)</u>	Date <u>8/5/2024</u>

Current Situation or Challenge to be Addressed:	Improving upon our aging inventory. Increasing our overall GROI.		
Current Performance Level (include specific measure):	We currently have 31 cars over the age of 90 days.		
Goal (what do you want to achieve?)	To not have any used cars aged over 90 days.		
Goal Performance Level (include specific measure)	This will elimante about a half a million of inventory dollars on average to spend on Platinum vehicles. Our GROI after 90 days drops to an abismal 10%. My goal permormance level is to be selling all our vehicles at an AVERAGE of 90% cost to market or better. This should get our average GROI above 150% keeping in mind that we are above 500% if sold under 30 days. Right now, we are around 136%. The ultimate goal would be to implement a rolling 30 day method as introduced by Dale Pollack. However, starting with this can be a step in the right direction and could show some of our guys that this is eventually the way to go.		
Goal Start Date:	9/2/2024	Goal End Date:	9/2/2025
First Check-in Date:	12/2/2024	Performance Objective:	140% GROI less than 25 vehicles over 90 days.
Second Check-in Date:	3/3/2025	Performance Objective:	143% GROI less than 18 vehicles over 90 days.
Third Check-in Date:	6/2/2025	Performance Objective:	147% GROI less than 10 cars over 90 days.
Fourth Check-in Date:	9/2/2024	Performance Objective:	150+% GROI no cars over 90 days.
How does your goal align with the dealers' vision?	The sales and upper management certainly don't see eye to eye with Dale Pollacks vision (yet!). However, I want to start collecting numerical data by continuing to use the pre class excel spread sheet and evaluating GROI as is related to our aging inventory at each tier. We do a great job utilizing our bid lot and have a very strong wholesale game. I do not		

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	<p>believe in letting a car walk to a small corner lot if it means they steal our gross profit. However, I believe if we keep our look to book quick, we put strong advertising on our inventory online, and we stay aggressive on the phones we are able to get the majority of our pre owned inventory out the door in under 60 days, If it stays past 90, then I firmly believe that car is not meant to be on our lot. Lets cut ties and reinvest those dollars into a unit that can move quickly.</p> <p>We rely heavy on trade in and CPO with out pre owned inventory, and I do not want that to change.</p>
What are the potential benefits of achieving your goal?	Higher GROI, more cash to invest into Platinum and Gold level inventory. Less stress and more money!
What are the potential consequences if you don't achieve your goal?	Other than losing opportunities to have higher GROI? Pride!
Why is the goal important to you?	Dale Pollack really sparked an interest in me. Before this class I had very little knowledge about GROI as it pertained to inventory. We do not floor plan our used vehicles, so I never really thought about how aging inventory is losing us money. I came back to work with a new passion centered around our used inventory. I want to learn how to buy better, sell quicker, and keep cars turning on our lots! We do not have large property sizes, so for us it is imperative that we put the right cars at the right price out there. And that we market these cars quickly and effectively.
Potential Obstacles	People in the business with the old way of thinking.
Potential Solutions	Solutions will arrise when my plan goes into effect and it starts working. Our managers are all paid around gross. So if gross improves, their pay improves.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Our used vehicle retail department does about \$525-575k in gross on average per month. And we are really proud of that. But I feel my goal can help us get us to the \$650-675k range each month.

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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
Manage acquisition costs	MMR, vAuto, Galves, KBB, etc.	Pre-Owned managers	Improved cost to market % and quicker turn around sales times.	Start 9/2/24 with monthly check ins
Evaluate and designate vehicles in Platinum-Bronze categories.	Pre owned managers, our DMS, vAuto.	GSM, Pre-Owned managers	A weekly list of inventory with an added category to easily identify the good from not so good cars.	Start 9/2/24. Weekly check in with inventory lists printed out at sales meetings.
Keep our current recon time to under 4 days.	Service department, DMS	Service manager, Pre-owned sales managers, GSM, GM	Get our pre owned cars out on the lot as quickly as possible. This way they have a better shot of being sold in under 45 days. GROI % stays above NADA guide.	Start 9/2/24. Weekly check in.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
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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.

It is not easy to make a change like this, but when people start making more money and start to believe in your vision things start to get easier. We have a great culture at our stores and I believe that we do nicely when implementing new strategies. We have great leadership- people will follow when treated the right way!

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

We currently have sales meetings every Monday. There is no change to the frequency needed. We will take a moment during each weekly meeting to go over the pre owned inventory by age.

Sponsor Signature: _____