

Unlock Used Car Frozen Capital

Today's Date: 8/19/18 Target Date: 9/30/18 Start Date: 8/20/18

Date Achieved: _____ Used Cars September 1 27
Department Month Fin. Statmt. Pg. Column Line

SMART GOAL

Specific: *What exactly will you accomplish? KPI is 84.9. KPI will be 60.0.*

Our Used Car Turn is too slow. I believe we have a thin market in the Certified Jag/Land Rover space, so am not overly concerned about getting to 30 days supply for branded Used product. However, we have vehicles which have aged past 100 days, and that is not beneficial to anyone.

Measurable: *What reports / calculations will you use to measure your results?*

This is as simple as following the financial statement, and checking our inventory.

Achievable: *Is achieving this goal realistic with effort and commitment? Have you got the resources to achieve this goal? If not, how will you get them?*

This is a very realistic goal. We have debated how to enforce a hard turn, and how punitive to make the transition to a turn objective. We may end up instituting a penalty, but for the time being, will focus on getting near 60 day off-brand product, and near 90-day branded product to the auction before 60 and 90 days.

Relevant: *Why is this goal significant to your dealership operations? To You?*

If we could get our pre-owned inventory into the 30-60 day range, we have the ability to unlock \$2mm+ of frozen capital.

Timely: *You answered "what" under specific. Now tell us BY WHEN.*

This is a significant change in policy (to date, no hard turn policies in place). I would like to give our teams the ability to move inventory quickly, but not in a fire sale. I would like the policy announce September 1, and firmly in place September 30.

Take Action!

Potential Obstacles	Potential Solutions
Used car managers may push back	30/30 walk, and a quick reminder who signs the checks
RedTop auction may not be the place for our branded product	May need to re-engage Manheim to get JLR products run again

Who are the people you will ask to help you?

Craig, Joel, Richard/Kevin/Nathan/Myron/Justin

Specific Action Steps: *Break down your BIG goal into smaller, intermediate goals. What are those steps?*

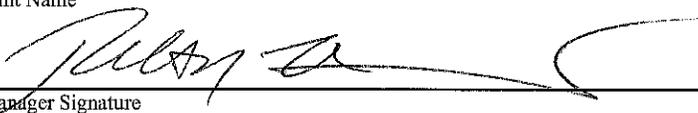
What?	Expected Completion	Completed
<i>Establish the goal (60 day inventory max)</i>	8/20/2018	
<i>Write the policy</i>	8/21/2018	
<i>Distribute the policy</i>	8/24/2018	
<i>Execute the policy</i>	8/24/2018	

Other Information / Comments:

After extensive review of our sold used car data from three JLR stores and a Cadillac store, we have adjusted the thresholds to 85 days for non-branded vehicle, and 100 days for branded vehicles. We are still in growth mode, and I am reluctant to "throttle" growth while we are still trying to shake the overly-conservative habits of our recent past. We are capable of tightening this policy in short order, if it proves necessary.

Robert N. Hennessy

Print Name



Manager Signature

8/19/2018
Date

N340
Class Number