LAUREL AUTO GROUP USED CAR DEPARTMENT ACTION PLAN

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WEEK 4

Current situation or challenge you want to address:

After 20 plus years our General Manager retired, and we brought in a new General Manager. John has been adapting to the Laurel process's and structure over the last few months. He took over in the month of June. We have several underlining issues that need to be addressed.
We are working thru the problem of our reconditioning department turns, wholesale units, and complete suggested work to retail more units.
Under the old GM:

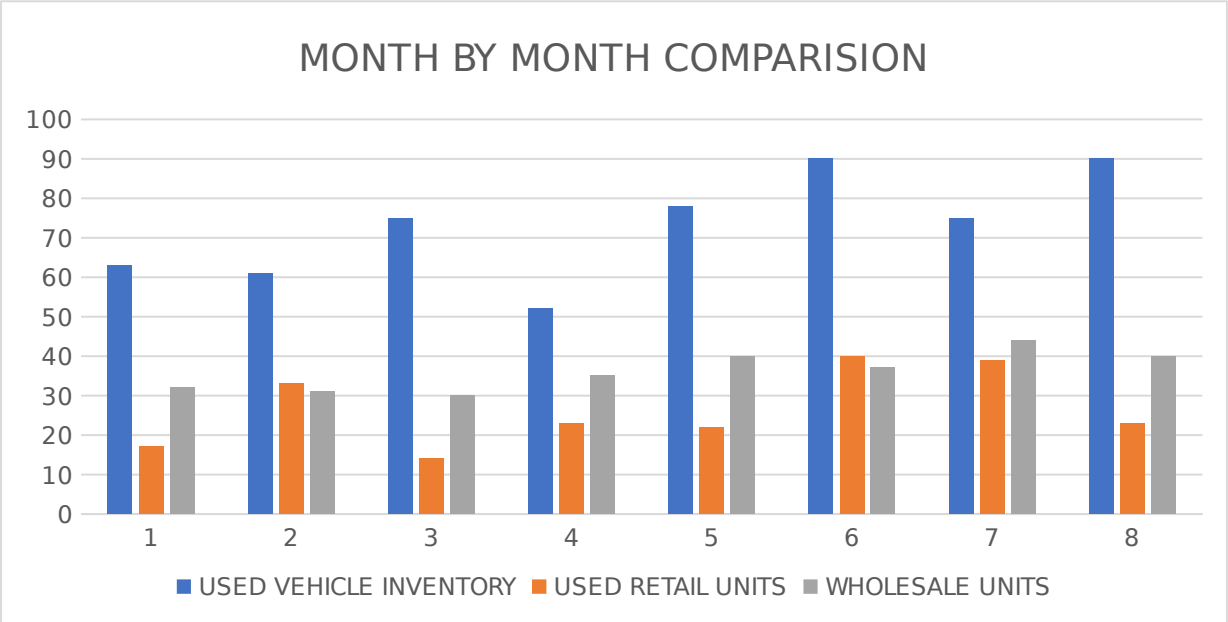
- The turns could take up to 35 days to hit the lot.
- At times it seemed like there were more cars waiting to be detailed than we could retail.
- The units became aged before they even hit the lot.
- Our units in inventory to the units sold and wholesaled were impacted.
- Vehicle work was turned down regularly, impacting the service and parts dept as well.

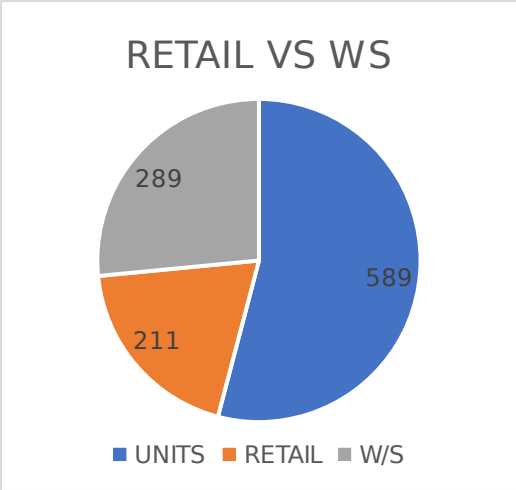
Overall objective and specific desired results:

- Improve the days turned from recon to retail
- Increase the units that can be retailed by doing the suggested work
- Decrease wholesale loss

Current metrix of used car dept:

	USED VEHICLE INVENTORY	USED RETAIL UNITS	WHOLESALE UNITS	WHOLESALE LOSS
JAN	63	17	32	$ 7,844.71
FEB	61	33	31	$ 2,571.18
MAR	75	14	30	$ 9,977.12
APR	52	23	35	$ 13,884.66
MAY	78	22	40	$ 10,643.25
JUN	90	40	37	$ 17,566.81
JUL	75	39	44	$ 12,655.83
AUG	90	23	40	$ 18,904.55





Describe your action plan:

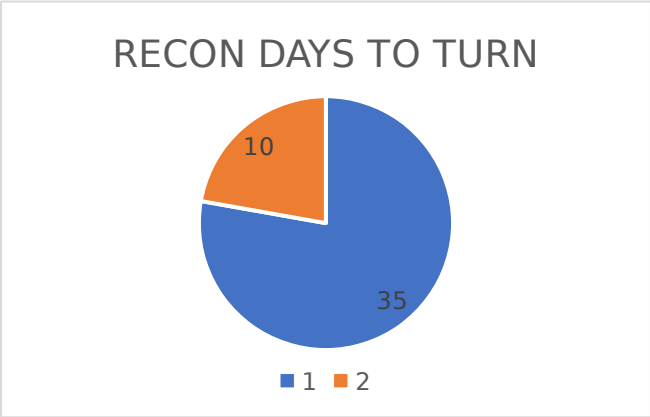
- Restructure the recon department.
- Communicate with the service department to move cars thru the shop quicker.
- Retail more units than wholesale.
- Promoted a new reconditioning manager to oversee the department, both daily tasks and the other recon employees.
- Daily meeting with vehicles on deck, in process, and status is discussed. Daily expectations of the department are discussed.
- Retrained the two employees on how to properly detail a car from start to finish.
- Service dept is working with the GM to make sure units are moving thru the shop quicker

Desired metric

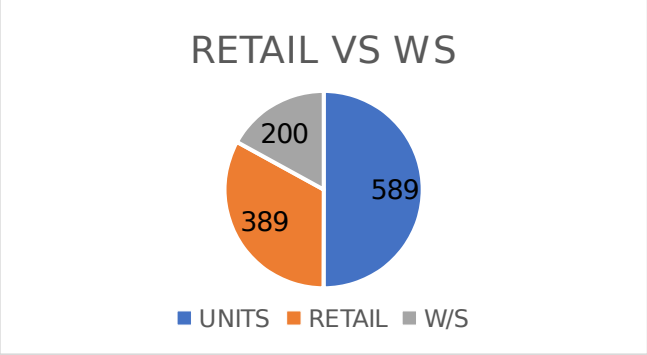
- Decrease the number of days it takes to get the lot

Old process: 35+ days to lot

New process 10-days to lot



- Decrease wholesale units and retail more



Accountability:

- General Manager
- Reconditioning Manager

    - Recon staff
- Service Manager

Time frame:

- Immediate change in the department from day one of implementing the new process.
- In only two weeks of implementing all these changes we have decreased the days turned to 10 or under (still well over guide but a major improvement)
- An increase of used cars to retail are on the lot and ready to be sold
- Daily follow up system and communication with all departments
- **This has been an immediate improvement in the department. It will require constant monitoring and communication.**