



## HOMEWORK ACTION PLAN

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

Name <u>Caroline Craun</u>	Class # <u>N449</u>
Dealership <u>Glendale Dodge</u>	Date <u>11/19/2024</u>

Current Situation or Challenge to be Addressed:	We are holding onto pre-owned inventory for too long, which has resulted in a high percentage of overaged inventory.		
Current Performance Level (include specific measure):	36% of the total inventory dollars comes from vehicles that are over 60 days old.		
Goal (what do you want to achieve?)	The goal is to create a faster-turning, less-aged, and healthier inventory.		
Goal Performance Level (include specific measure)	Decrease the total percentage of used car inventory dollars over 60 days from 36% to 15%.		
Goal Start Date:	12/1/2024	Goal End Date:	4/1/2025
First Check-in Date:	1/1/2025	Performance Objective:	30% inventory dollars over 60 days
Second Check-in Date:	2/1/2025	Performance Objective:	25% inventory dollars over 60 days
Third Check-in Date:	3/1/2025	Performance Objective:	20% inventory dollars over 60 days
Fourth Check-in Date:	4/1/2025	Performance Objective:	15% inventory dollars over 60 days
How does your goal align with the dealers' vision?	This goal aligns with the vision by promoting a more efficient inventory strategy, leading to improved cash flow and profitability. Reducing aged inventory ensures the dealership stays competitive by offering fresher, more desirable vehicles and minimizing carrying costs. It supports our goal of growing the business and delivering the highest level of customer satisfaction.		
What are the potential benefits of achieving your goal?	Improved cash flow, increase in profits, lower carrying costs, staying more competitive in our market, better customer experience,.		
What are the potential	A decrease in profits, high carrying costs, money tied up in aging		

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consequences if you don't achieve your goal?	inventory, decrease in potential growth of business, lower customer satisfaction (not carrying the cars people want to buy), not staying competitive in the market.
Why is the goal important to you?	This goal is important to me because it is important to the long term success of the dealership.
Potential Obstacles	Training the used car manager to shift his perspective and the way he has been managing inventory for the past 15 years. Getting the sales team focused on selling the older units. Reevaluating the way we are pricing used cars and deciding what we should keep versus wholesale. We need to run a leaner used car inventory until we start selling more. This will be a tough transition for people.
Potential Solutions	Really highlighting the benefits to only holding a 30 days supply of used cars. Getting into the habit of checking and adjusting prices almost daily. Incorporating the sales team and sales manager more in
<b>BOTTOM LINE!</b> Financial Impact of Achieving Your Goal (expressed in dollars)	Moving old inventory faster we can increase our overall turn rate. By decreasing our 60+ day units, we could potentially increase our turns from 8 to 10. This improvement would result in an additional \$449,458 in yearly gross profit

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
Weekly price updates to all used units	Use VAuto to evaluate the market days supply of each unit	Used car manager and GSM	Cars will move faster because the pricing will better reflect the market	Start 11/20/24. Check monthly to make sure week price checks are still happening
Wholesale Aged Units: 60+ day cars that aren't getting any clicks or inquiries	VAuto, Kelly Blue Book, Techs	Used car manager	We will more readily wholesale our dud cars; therefore, we will not end up sitting on them for 60+	Start 11/20/24 Check: 12/20/24 ongoing

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Tie managers payplan to age of inventory	Create new pay plans that incentivize maintaining a fresh inventory.	Sales manage, GM	Managers will try to get older cars out.	Start: 12/01/24 Check: monthly
Constantly track our 30 day supply	DMS, sales logs	Used car manager, GSM	By understanding our 30-day supply target and ensuring we do not exceed it, we can avoid holding onto too many aged units.	Start 12/1/24 Check: monthly End: ongoing
Discuss aging vehicles during weekly sales meetings and incentivize salespeople to focus on selling them.	DMS, open communication between used manager and SMS	Used car manager, GSM, SM, all sales people	Everyone will be on the same page about which cars need to be move. It will help us stay ahead of aging inventory	Start: 11/25/24 Check: Weekly End: on going.
Have a salesperson present in the service drive to convert service customers into new and used car sales	DMS	Sales team, service advisors and service manager	Generate trade-ins from the service drive, while simultaneously boosting overall car sales.	START: 12/01/24 Train sales staff on how to communicate effectively with service customers. Collaborate with service advisors to develop a plan for identifying and targeting the right customers.
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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.

**Document Procedures:** Create a detailed, step-by-step guide outlining key processes, such as tracking inventory age, conducting regular audits, and adjusting pricing strategies

**Monitor:** keep using daily/weekly reports to managed the inventory. Inventory age, turnover rate, and sales performance. Have monthly discussions of imporves that can be made as things change.

Maintain a pay plan that rewards people who consistently follow processes and contribute to reducing aged inventory levels. This reinforces good habits

Keep using technology (like VAuto and our DMS) effectively.

Keep training our used car manager so he can stay on top of the new best practices and not fall into old or stale habits.

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

I went over this plan with our used car manager. He was receptive to the ideas presented, especially the plan to update pricing more frequently. After thanksgiving we can have a more indepth meeting with gm and gsm.

Sponsor Signature: \_\_\_\_\_