



## HOMEWORK ACTION PLAN

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

Name John Connor Flick Class # N450

Dealership Banner Ford Date 11/27/2024

Current Situation or Challenge to be Addressed:	Low volume and negative profit in the used car department. High levels of complacency with managers that are not eager to turn the operation around.		
Current Performance Level (include specific measure):	Through October, the department has lost \$997k and is averaging 18 vehicles sold monthly with a front gross of \$758.		
Goal (what do you want to achieve?)	Make the department profitable by increasing sales, front gross, and net profit.		
Goal Performance Level (include specific measure)	40 sales a month, \$1,500 front gross, and a positive net profit		
Goal Start Date:	12/1/2024	Goal End Date:	7/1/2025
First Check-in Date:	1/2/2025	Performance Objective:	Evaluate December performance. Sell 40 vehicles or more in the month by installing new process. See how the gross profit is increasing with the higher volume. Target is to increase to 25 sales with a \$1,000 front minimum
Second Check-in Date:	2/1/2025	Performance Objective:	Monthly evaluation, altar processes to hit the sales and gross target. See how the past 2 months results have affected net profit. 30 sales with steadily improved front gross.
Third Check-in Date:	3/1/2025	Performance Objective:	Monthly evaluation of processes and punctual goal achievement to see how effective these changes have impacted the overall profitability of the department. 35 sales and \$1,500 front gross
Fourth Check-in Date:	7/1/2025	Performance Objective:	Use the 7 month time frame to accurately assess the overall



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			<p>impact these changes have made on the department. Ultimate goal besides the units and gross is to make the department as a whole perform at an elite level and make it profitable. 40 sales and have a positive net.</p>
How does your goal align with the dealers' vision?	<p>The goal is perfectly aligned with the vision of the dealer. Variable operations has been struggling for the last 5 - 10 years. It has been the ultimate purpose to get it operating like it used to, if not even better. By achieving this goal, we will have a solid foundation and can take it to the next level to make it even more profitable and sell 70 cars a month again.</p>		
What are the potential benefits of achieving your goal?	<p>The benefits are immense. It will give the entire team at the store a sense of confidence that the store is not a lost cause and we can make any situation good again. In a monetary benefit, we will not be losing money as a whole in the store and can make it a profitable operation as a whole. Currently, fixed ops are the only ones making money. The goal when hit will help moral, profitability, and the chance of extra store acquisitions as well.</p>		
What are the potential consequences if you don't achieve your goal?	<p>I do not see any consequences, the department is performing at an all time low currently. Any change in thinking and process will be beneficial in the long term nad will help lead to new ideas and ways to turn the store around.</p>		
Why is the goal important to you?	<p>The overall efficiency of the store used to be completely different. Ever since Katrina we have not been able to get it back to how it used to be. We have known that we needed to incorporate a lot of change with the processes ever since we have started the decline, but have not really ever formed a plan of how we are going to improve. This is a big opportunity for me personally to restore the dealership to its profitable past and will ultimately make it better than ever.</p>		
Potential Obstacles	<p>Managers and employees not buying into the new program, General Manager not wanting to allocate money in order to invest into the store to help since we are cutting expense to aid the bleeding. Overall attitude and effort into changing the processes and overall thinking in ways we do not normally.</p>		
Potential Solutions	<p>Providing this detailed action plan to show the steps to achieve the goal and giving an outline of what we are changing. Spiffs to get rid of the worst investments in inventory since the gross will be bad on vehicles we are flooded in.</p>		
<b>BOTTOM LINE!</b> Financial Impact of Achieving Your Goal (expressed in dollars)	<p>Positive net profit for the entire dealership. Goal is to make \$250,000 first year in the department and grow from there.</p>		

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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
Align inventory 80% with ProfitTime	ProfitTime (already have) do not use properly	Used car manager, general manager, GSM	Increased volume with emphasis on turning the proper cars at the right time, hold for gross on certain vehicles	Start 12/1/24. Daily inventory restructure and checks, monthly review of performance. No end date
Take pictures immediately of all inventory the second it reaches the lot	None	Used car manager, outside photo vendor	Increased VDPs of vehicles so nothing is aging without pictures	Daily
Filthy 5 Audit to get rid of worst investments	\$200 spiff for sales	UCM, GSM	Weekly clearing of worst investments to clean inventory to get to point where can have a healthier mix of vehicles	Start 11/27. Weekly check ins until clean, no end
Use of AI to brighten up vehicle descriptions	ChatGPT	UCM	Stand out with the unique descriptions to stand out from other competitors and draw more customers to the store	11/27 start, daily AI descriptions for inventory, no end
Acquire better inventory with lower cost and market day supply	Auction Access, Provision, we buy cars sign	UCM	Hold vehicles that have better upside with profit potential to boost gross, volume, and net profit	11/27 start. Daily appraisal audits for coaching, weekly review of recent purchases, no end
Decrease recon time to 3 days	Rapid Recon	UCM, internal advisor and tech, service manager, GM	Get vehicles front line ready quicker to increase volume and decrease aged units	11/27 start. Weekly review of time with service manager and advisor. End every month with a recap of times for repairs

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Have inventory equal the 30 day rolling average of sales	None	UCM	Expel excess inventory to ensure the higher volume without old aging units, better GROI	11/27 start, daily checks on the difference in inventory compared to sales, weekly audit of vehicles to get rid of and action plan how to

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.

The implementation of this plan is mandatory until proven ineffective. We have monthly used car meetings that are going to turn into weekly meetings to discuss what we are doing and what is working. These meetings will be constructive and this is going to be a hybrid plan where any ideas will be taken into consideration. By letting the managers know they have control over this and can help optimize it, there will be now variance from the end goal

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

After the class, we had a meeting with all of the GSMs, UCMs, GM and dealer. We talked about the best ideas that were gathered from class and I was tasked to turn this around. Upon a deep dive into the inventory, we realized we had a problem. Our UCM was terminated 2 weeks prior to the class so this came at a perfect time. The monthly used car meetings have always been highlighted, but we are switching them to weekly to keep a closer eye on it. Besides the big meeting, lots of conversations with the GM and dealer were had. I presented them with the accounts of the inventory health and the ways that we can turn the tide. I am excited for this opportunity and will strive to make the department and store profitable again.

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