

## NADA New Vehicle Department Action Plan

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 Class & Student Number: N333-14  
 Academy Week: Variable Operations 2 – New  
 Dealership: Bergey's Chrysler Jeep Dodge Ram

### Current situation or challenge you want to address:

The F&I profit per new unit for Bergey's Chrysler Jeep Dodge Ram trails both our dealer group and NADA BOC average. Our group average is \$783 and NADA BOC is \$1,082. Bergey's CJDR is averaging \$679 per new unit thru August YTD. There are several factors at work. The overall philosophy of senior leadership has influenced how we approach F&I. They don't want to feel like we're taking advantage of customers by being overly aggressive in the F&I office. This is a valid concern depending who you have in the F&I positions however our team is not overly aggressive and the numbers show we are below BOC average so I feel we are treating customers well. Another factor at the dealership level, the F&I Manager doesn't utilize menu selling and focuses primarily on selling rate and service contracts.

By the numbers, results as of August 2018 compared to August 2017

First 8 months	Aug 2018	Aug 2017
Total gross profit	\$416,801	\$449,972
New units sold	614	654
F&I PNVR	\$679	\$688
NADA BOC	\$1,082	\$1,082
	-\$403	-\$394

### Overall Objective and Specific Desired Results:

To increase our F&I profit by 20% to exceed our dealer group average and make progress towards achieving NADA BOC. The goal is to increase F&I profit from \$679 to \$815 PNVR by end of 2018.

Action plan goal	
Current	\$679
Increase by 20%	\$815
	\$136

### Describe your action plan in detail:

We will present every customer with the full complement of F&I products we offer:

1. Review our current process and develop an F&I menu that clearly outlines the products we offer
2. Post signage around dealership and in F&I office outlining the various products we offer

3. Design F&I slides to display on dealership TVs to help educate customers about the products
4. Meet with F&I company representatives to gain additional ideas and best practices we can implement
5. Explore the possibility of utilizing a F&I tablet system like our Lincoln store is moving towards

Important steps:

1. Meet with the Dealer Principal and Sales Managers to review current F&I numbers and explain why there is a need to address this area. To get buy-in from the key stakeholders and their feedback.
2. Meet with the F&I staff to review our current dealership results, dealer group averages and NADA BOC. To show them why we want to address it, seek their input and collaboratively look for ways to grow our F&I income.
3. After gathering input, outline the plan and recommended steps to address the issue and grow our F&I income.

**Timeline:**

Monthly – Meet with GM, Sales Managers and F&I Manager to review the action plan, necessary steps and prior month's results to measure progress towards achieving F&I profit growth

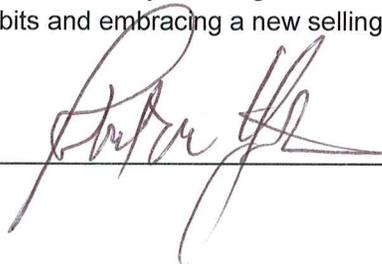
Weekly – Review current F&I profit per new vehicle on completed deals

**Meet with Stakeholders:**

Meet with the General Manager, Sales Managers and F&I staff to review and implement the approved action plan. The F&I staff will need to be held accountable for implementing the action plan. I believe they have the experience, skill and ability to shift gears to help grow our F&I income. The biggest challenge I see is changing old habits and embracing a new selling process especially for the long time F&I Manager.

**Dealer agreement:**

Dealer signature: \_\_\_\_\_



Date: \_\_\_\_\_

9/28/18