

Departmental Action Plan

Student Name: Patrick Doty

Class & Student Number: ATD 039-20

Academy Week: Variable Operations 1 – Pre-Owned

Current situation or challenge you want to address:

Several times this year we have had trucks hit our aging limit of 150 days and as a result we end up losing thousands of dollars in the process. I will be working with my Used Truck Manager to develop an action plan to eliminate trucks exceeding 90 days. After our pre-owned class it was clear that our chance of selling a unit at a profit virtually drops to nothing after 90 days.

Overall Objective and Specific Desired Results:

We will have this action plan in place by the end of 2018 and as a result of our preparations we will expect that no trucks will hit our 150 day aging limit in 2019. This will allow us to minimize any losses that would be incurred at that time and maximize gross profit on every unit. In addition we will free up inventory space to purchase units that will be fresh and potentially fast movers.

Describe your action plan in detail (be specific and include before and after measurements).

- Multiple units sold wholesale at a loss in 2018
- Starting November 1st we will evaluate our aging units daily by using the "work with inventory units by age screen". As displayed below, we have 2 units over 90 days old and 4 units that are over 60 days old.

TRKM136P Work With Inventory Units by Age Available

25 540 - MHC KENWORTH - SPRINGFIELD / USED TRUCK

Type options, press Enter.
1=Select S=Display 21=Position

Opt	Yr	Model	Eng	Hp	Trn	Stk#	Br#	Loc	Co	Slp	Mile	Retail	S	P	Day
15	T	ER0	MX-113	455	C-LAS	04004750	2255	25		75	410	67950	A	Y	101
15	T	500	NX-113	455	C-LAS	04010222	2255	25		75	395	65000	A	Y	91
14	B	806	TSX115	430	A-MHP	04033333	2255	25		49	397	54000	A	Y	83
13	B	806	ISX115	415	C-LAS	04045559	2255	25		30	641	30000	A	A	69
15	T	600	NX-113	455	62190C	04066550	2255	25		75	523	61000	A	Y	55
15	T	600	NX-113	455	62190C	04066555	2255	25		75	411	65000	A	A	53
15	T	600	ISX115	450	62190C	04073765	2255	25		76	405	60000	A	Y	52
15	T	600	NX-113	455	62190C	04073800	2255	25		76	484	60000	A	A	52
15	T	600	NX-113	455	62190C	0407381	2255	25		76	532	59000	A	A	52
15	T	600	ISX115	450	62190C	0407382	2255	25		76	455	60000	A	Y	52
19	V	NL64T78	D13	455	2612D	0407966	2255	40		77	465	60000	A	A	47

F3=Exit F4=Prompt F5=Refresh F9=VIN/Stock# F10=Sold F11=View F12=Cancel

Online TLS 12 122 255 P04 11/12/2016

- The UTM will need to move the 2 units that are over 90 days old immediately. Send out a mass email to the dealership group that these units need to move and all deals will be evaluated. Contact wholesale buyers.
- As of November 1st we will begin the write down process at 60 days.
 - Retail price will be dropped and margin will be cut in half.
 - Pictures will be evaluated and walk around video will be added.
 - Change position on the front-line for new visibility to passing traffic.
 - Offer mini's to in house salesmen

Timeline: Describe specific short term and long term checkpoints to monitor progress

Short term results will be measured based on execution of our new 60 and 90 day policy.

- Are trucks be wrote-down at 60 days?
- Have pictures been updated?
- Have any trucks hit 90 days?

Long term results will be measured on a year over year performance.

- Have we decreased the number of trucks we wholesale at 150 days? (2018 vs. 2019)
- Have we reduced the amount of gross profit loss on those wholesale units versus 2018?

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

a. Who:

Used Truck Manager (Casey Trevarthen) will be responsible for execution of the action plan and Branch Manager (Patrick Doty) will be responsible for following up to make sure Casey has the necessary communication and tools to be successful.

b. What:

Reduce the number of aged units that hit our 150 day aging policy and minimize the gross profit exposure for those units.

c. By When:

Plan will begin immediately be selling all units that are approaching or over 90 days in age. We will then perform each action as units hit 60 days and 90 days. The desired results will be to have 0 trucks hit 150 days to minimize exposure.

d. How:

Casey and I will review action plan to make sure that we are both on the same page. We will discuss key actions and expectations for this plan. In addition, we will line out the specific measures listed above that will indicate performance.

Dealer agreement:

If you need your sponsors support or approval to implement your plan, have it signed off before you start. If you can proceed on your own, present this action plan to your sponsor before next class. Describe the meeting:

A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.
