

Used Car Policy Expense vs. Customer Satisfaction

Today's Date: 11/6/18 Target Date: 3/31/19 Start Date: 11/6/18

Date Achieved: TBD Used Car Oct-18 22
Department Month Composite Page

SMART GOAL

Specific: *What exactly will you accomplish?*

KPI is 6.32%. KPI will be at or below 3.9%

Goal: To reduce used car policy as a percent of used car gross to 3.9% or below. As of September, used car policy as a percent of gross was 6.2% (composite page 22, column 11D). In October, it was 12.40%. This expense area is something that can be controlled at the desk.

Measurable: *What reports / calculations will you use to measure your results?*

Monthly: Financial Statement (Page 2, Column 7, Line 14)

Monthly: NADA Composite (Page 22, Column 10D)

Daily / Weekly: Reynolds & Reynolds Accounting, Report 0504 for Account #7204

Achievable: *Is achieving this goal realistic with effort and commitment? Have you got the resources to achieve get them?*

Key Stakeholders involved: General Manager, Used Car Manager, Recon Manager, Sales Managers, Sales Consultants, Recon Technicians

Relevant: *Why is this goal significant to your dealership operations? To You?*

Expense control is a key component of used car profitability. Our dealership has always been very liberal in the manner by which we handle customer requests for additional service after the sale. We will have to be careful to monitor Customer Satisfaction (via Social Media) while we work together to try to reduce this metric. As we accomplish this goal, our depart profitability will improve.

Timely: *You answered "what" under specific. Now tell us BY WHEN.*

Given that we have always had a "customer first" policy when it comes to taking care of our customers after the sale, it will take time for our customers and our people to get used to the idea of more clearly communicating what we will do and what we will not do once the car has been sold and delivered. I will monitor this daily/weekly, with a 3/31/19 goal of be at or below 3.9%.

Take Action!

Potential Obstacles	Potential Solution
<u>Sales Manager Paradigm Shift from the norm</u>	<u>Communicate, Share Best Practices</u>
<u>Sales Consultant Paradigm Shift</u>	<u>Train, Train, Train</u>
<u>Service Department accountability</u>	<u>Communicate Goals, Discuss Solutions</u>
<u>Push back from repeat customers</u>	<u>Communicate upfront at sale</u>
<u>Negative posts on Social Media</u>	<u>Monitor Social Media accounts daily</u>
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Who are the people you will ask to help you?

General Manager, Used Car Managers, Sales Managers, Sales Consultants, Reconditioning Manager, Service Manager, Recon Technicians

Specific Action Steps: *Break down your BIG goal into smaller, intermediate goals. What are those steps?*

What?	Expected Completion
<u><i>Pull detail on October Policy</i></u>	<u>11/6/2018</u>
<u><i>Identify largest contributors to policy</i></u>	<u>11/9/2018</u>
<u><i>Meet with GM to discuss plan</i></u>	<u>11/15/2018</u>
<u><i>Meet with Used Car Managers</i></u>	<u>11/15/2018</u>
<u><i>Meet with Sales Managers</i></u>	<u>11/15/2018</u>
<u><i>Meet with Recon/Service Team</i></u>	<u>11/15/2018</u>
<u><i>Roll out to Sales Team</i></u>	<u>11/17/2018</u>
<u><i>Monitor, Measure and Communicate</i></u>	<u>Ongoing</u>
<u><i>Make adjustments as necessary</i></u>	<u>Ongoing</u>

Other Information / Comments:

This initiative will be a major undertaking for our dealership. Our team has been trained that the customer is always right and enjoy an extremely favorable reputation in the marketplace as a result of our very liberal policy. To accomplish this, we are going to need the cooperation of the Service Department. We are also going to have to retrain our sales team and provide them with tangible benefits. The GM, Used Car Manager and I will be the only people authorized to charge something to account #7204.

Chris Chase
Print Name

Chris Chase
Manager Signature

11/14/2018
Date

10

Column

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Line

9%

this goal? If not, how will you

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Completed

11/9/2018

11/13/2018

11/15/2018

11/15/2018

11/15/2018

11/15/2018

11/17/2018

Ongoing

Ongoing

N343

Class Number