

INCREASE STORE LEASE RETAINMENT - ACTION PLAN

Today's Date: 11/13/2018

Target Date: 1/1/19

Start Date: 11/1/18

Date Achieved: TBD

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SMART GOAL

Specific: What exactly will you accomplish?

KPI is 40% . KPI will be 55%.

The goal we are trying to accomplish will be to increase our lease retention from 40% to 55% of our lease total terminations. Currently, we are at 40% and have each client advisor working solely on their own lease portfolios. We are noticing that the inconsistent methods of contact and outreach vary per client advisor, as some have retention at 48% and some have retention as low as 15%. This inconsistency makes it hard to manage, as getting every sales person to operate at the same capacity or output, is nearly impossible. Our idea is to hire or train a new position, Lease Retention Manager. This manager, will take over the store's entire lease portfolio and be the main contact point for our lease customers. This will allow us to centralize the communication between our store and our customers, as well as, eliminate the variable of inconsistent contact across the portfolio. We designed a full description of this position along with main responsibilities, which I have also attached along with this Excel file. We also cut \$100,000 out of our marketing budget for 2019, in order to make room for this new position's salary expense.

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

Each Monday, the Retention Manager will email out a "Retention Doc," which will track the total months lease customer's that leases are expiring and of those accounts we have retained, lost to another brand, lost to another store, etc. This Doc will help us understand if we are close to achieving our goal of 55% retention, how many customers we are retaining and losing. The main calculation here will be total monthly retained customers/total monthly terminations to see monthly retention. On a separate tab, we will be tracking YTD lease retention, which is the same calculation just total retained customers/total terminations. We are also able to track our retention statistics through a BMW Manufacturer website, however, the Doc provides accountability and focus on the subject on a weekly basis.

Achievable: Is achieving this goal realistic with effort and commitment? Have you got the resources to achieve this goal? If not, how will you get them?

This goal is realistic as we are on the low side of the lease retention spectrum in comparison to our market. The median lease retention % for our market is around 48%. Top performers are around 55%. Currently, we do not have the resources to improve this metric and that is why we are looking to develop a new role that is solely focused on improving this statistic for our store.

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

The goal is significant for our store simply because it increases new car sales. We are currently at 40% lease retention. Our total terminations through 10/31/18 was 427. At 40% retention, we are re-leasing 171 vehicles to customers. If we were 15% higher, we would have sold another 64 vehicles (6.4 vehicles per month) through 10/31/2018. Our total terminations for the next 12 months (as of 12/1/2018), is 523 vehicles. At 40%, that is 209 vehicles and at 55% that is 287 vehicles, a total difference of 78. The potential to sell that many more vehicles is significant not only to an improvement in sales, but also potential serviceable vehicles, gross profit increase on front, F&I gross profit and back end hold-back monies received from the Manufacturer.

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

Our timeline is to hire this new person/position before Year End and have them trained by 1/31/2018.

Take Action!

Potential Obstacles

- Client Advisor push back
- Poor Candidate pool in job search
- Job responsibilities too much for one person
- Manager push back
- Customers unaware of new contact person

Potential Solutions

- Prove that it works, the store and the advisor will sell more because of the new system
- Have internal candidates whose capacity and capabilities you are already aware of
- Bring on an assistant to aid this person's role
- Keep them involved in the hire/training process and prove to them it will make their job easier
- Introduction from old contact person/client advisor introducing knew point of contact for lease period

Who are the people you will ask to help you?

Myself (Pre-Owned Manager), Owner (Dad), General Sales Manager

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

What?	Expected Completion Date	Completed
Sit down with Team to Create Job Responsibilities/Description	11/15/2018	YES
Look for internal candidates prior to outside hire. (No candidates)	11/15/2018	YES
Post Job up on Indeed and with Recruiter	11/15/2018	YES
Receive Resumes and Schedule Candidate Interviews	11/30/2018	50% Complete
Interview Candidates	12/14/2018	IN PROCESS
Dwindle down to 3 finalists	12/20/2018	IN PROCESS
Hire Candidate	12/31/2018	NO
On-Board and Train New Position	1/1/2019 - 2/28/2019	NO
New Employee 100% Trained and Capable to Carry out Duties	3/1/2019	NO
Move Lease Portfolio Contact Responsibilities to this New Manager	3/1/2019	NO
Set Expectation of Goals & Track Weekly/Monthly	3/1/2019	NO

Other Information / Comments:

Jake Mauro

Print Name

Manager Signature

11/20/2018

Date

N343-25

Class Number