

Departmental Action Plan

Student Name: LINDSAY BAIERL

Class & Student Number: N337, #2

Academy Week: 4, PRE-OWNED VARIABLE OPS

Current situation or challenge you want to address:

Sourcing Used Inventory

Hire and train a Service Drive Appraiser with a goal of buying used cars. Meet with SDA daily to review next day service appointments – SDA reaches out to customer and offer a free vehicle analysis – following Service Check-in, appraise using KBB ICO, offering a value over KBB ICO depending on VAuto grade (A, B, C) – if customer is interested in trade-in; provide customer with side-by-side comparison (fuel economy, technology, warranty, ect) and T.O. to Sales Department. Pay for SDA would be hourly with a bonus for purchased vehicles; bonus added to vehicle cost. Eliminate equity mining tool to free up \$4,100 monthly.

Recent addition of VAuto Stockwave – workbook and Provision strategy is set up to maintain optimal stocking levels of vehicles with low market day supply, market segment and price buckets.

Increase Front & Back-End Gross

Use tools we have at our disposal, KBB Price Advisor, Recon R.O., and CarFax history report to validate our asking price – no haggle Market-Based pricing. Track discounts on used car transaction by department, and salesperson. Eliminate protected pencil from all used deals except Honda CPO. We feel the ESC is distracting the customer and giving them a reason to walk from the deal to think about the additional cost.

3rd Party Listings

Expensive, and places our vehicles in a competitive and busy environment. We are relaunching Baierl.com to include listings from all 180+ Lithia stores. Provide ecommerce solution along with 4 promises; no-haggle prices, money back guarantee, free vehicle delivery, and all vehicles have warranty. Re-evaluate effectiveness of

Cars.com, Autotrader.com, CarGurus, CarFax.com using CarWars and relaunch of Baierl.com.

Controllable Expenses

Sales Comp and Policy have the highest variance vs. Best in Class. Rewrote "We Owe" process to control our Policy and eliminate paying commission before policy work is completed. Service advisors and vendors (Dent Wizard) must have "We Owe" to complete work on vehicle. Plan to rewrite sales comp plan and implement January 2019.

Overall Objective and Specific Desired Results:

2700 TOTAL USED CAR PVR

TURN 16 TIMES PER YEAR USED

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

SEE ABOVE

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

I WOULD LIKE THIS TO START IMMEDIATELY AND MONITOR PROGRESS AFTER DECEMBER AND LEADING INTO WEEK 5 OF NADA.

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: LINDSAY, GEOFF, GARY, COREY
- b. What: INCREASE GROSS, FASTER TURN, RIGHT INVENTORY MIX
- c. By When: YEAR END
- d. How: MONITOR DAILY, TRAIN COREY, TRAIN SALES PEOPLE

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:


