

## Departmental Action Plan

Student Name: Scott Wilde Riverton Chevrolet

Class & Student Number: N336

Academy Week:

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

**Current turn rate at 7.9.**

**Pricing on aged inventory is not being addressed effectively or in a timely manner. It is causing an aging issue.**

**When I looked at the pricing buckets, the older the unit got, the higher we were priced to market.**

**In addition, it is affecting the wholesale profit/loss. The store has a 90-day aging policy. We list every unit for sale on line on both our wholesale and retail sites. We purchase units with the intent to wholesale a percentage of the inventory. The improper pricing of the units as they age, is causing major wholesale losses that are eating up the wholesale profits that are being generated earlier in the month.**

**Wholesale price listings were also not being adjusted in a timely manner.**

**Overall Objective and Specific Desired Results:**

**To begin the process of increasing the turn rate to 10 within the next 3 months and to 12 by the end of next year.**

**Increase Used Car Department retail and wholesale gross profit.**

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

By pricing the vehicles properly to market and adjusting through the aging process, I believe that we can generate an additional 28 units monthly. This would bring our projected turn to 10. Even with the reduction in average front end gross, we can generate an additional \$86,000 monthly gross or over a \$1,000,000 yearly.

It will also reduce wholesale losses due to the fire sale we seem to have each month and the units approach the 90-day aging limit. We have always maintained a wholesale profit however, I have calculated that it would add approximately \$20,000 monthly as we would not have the need to panic at the end of the month.

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

Meet with Used Car Department on December 3<sup>rd</sup> to outline the process.

Pricing to be adjusted daily by Used Car Manager and Assistant.

Pricing will also be reviewed daily by General Sales Manager throughout the month of December.

Weekly Used Car Department meeting to review and track process.

## 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 Car Manager and Used Car Assistant.
- b. What: Price Used Inventory at or below Market Value as needed to remain competitive on both the wholesale and retail sites as well as on the lot.
- c. By When: December 3<sup>rd</sup>.
- d. How: Daily and weekly coaching and training on the desired results and the processes needed to implement and track.

### 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:

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