

# Departmental Action Plan

Student Name: Stephen Scarbrough

Class & Student Number:

Academy Week:

## Current situation or challenge you want to address:

We have had a number of months running a very low pvr in the used dept. We have ran as low as 600.00 pvr. I wanted to also implement a process for appraising vehicles so help with acquisition cost and to help with wholesale profit or loss's.

## Overall Objective and Specific Desired Results:

Write a policy for both desking of used deals as well as appraising used vehicles. I was looking for a more consistent desking process to improve pvr. I wanted to see 1200 to 1500 pvr once implemented.

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

### Desking Process:

- Start deal with standard APR 9.99 New 13.99 Used
  - Only move from 9.99 New and 13.99 Used when you pull credit or after you submit the deal
  - Deal must be desked with appropriate rate at that time
- Every deal with trade must start with market KBB evaluation as the allowance or lower

- Use shorter term when possible which allows finance to extend
- Salespersons will only show the first pencil offer
  - If Salesperson doesn't get the whole pencil signed off a manager will take a turn
  - **No Salesperson** will take multiple pencils back and forth with sales desk
- Every deal will have two managers take the turn when applicable
  - If a customer is not committing to purchase two managers will take the turn
  - If the commitment you get isn't close to making a deal then a 2<sup>nd</sup> manager should take the turn to get a better offer

## **Appraising Trades:**

- Every trade must have multiple pictures inside and out
  - Make sure you take a picture of the following items:
    - Navigation
    - Odometer
    - Model type
    - Tires
    - Damage
- Notes should be included to indicate any recon items needed or damage to consider
- If unit is **wholesale** please select wholesale and appraise using mmr not market
  - When using mmr for wholesale make sure you are using right grade and consider detail and transport cost
  - If trade value for wholesale is **750.00 or less then use 1.00 only**
- Retail trades should be appraised for low end of the market first then you can move the trade to make the deal to top end of the market if needed
  - Example. If 88-94% is suggested market then use 88% first
  - Make sure you don't lose a deal however by under appraising the trade in
  - If the vehicle for our market you should take that into consideration when using the market appraisal
- Make sure we indicate service or appraisal so we can separate these into different buckets to see results of service trades

## **Measurements:**

**October PVR \$817.00**

**November PVR \$1327.00 Average discount less than 250.00**

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

**We managed the appraisals daily in the morning meetings as well as pvr and any desking opportunities missed from prior day.**

### **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: Sales Managers
- b. What: Improving Pvr and wholesale profit/loss
- c. By When: Daily, Weekly and Monthly and going forward indefinitely
- d. How: Daily meetings and training

### **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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