

INTER – OFFICE MEMORANDUM

Re: **New Car Front End Gross**

ACTION PLAN

To increase front end gross on an average of \$188 per car, plan will be broken down into the following categories and executed by the Boch Toyota Sales MGMT team, completion / re-review date July 31, 2017.

- YTD Summary
- Desking
- Turn Over's
- Pricing
- Training
- Measuring and Monitoring

Jan – April 2017 Boch Toyota Norwood front end gross summary is as follows:

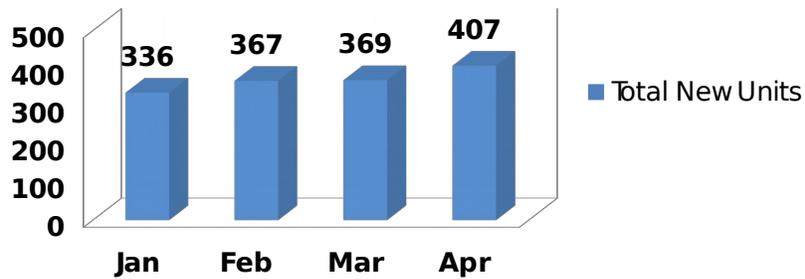
- **Gross Profit New Retail and Lease \$463,000**

- Total units sold 1479
- \$317 pvr

New Car Total Gross



Total New Units



New Car PVR



(Managers Involved – Matt Leaman, Eric Yngve, Chris Chapman)

Desk Managers will audit needs analysis sheets prior to penciling deal.

- Desk managers will ask the following questions on every pencil, prior to providing it.
 - When the numbers are agreeable and affordable, will the customer move forward today?”
 - Yes, Provide Pencil
 - No, Early manager intervention
- Desk Managers will show lease and buy on every pencil.
- Desk Managers will start every pencil at MSRP if previous quote is not provided.
- Desk Managers will hold back at Least 25% - 50% on every trade allowance.
- Desk Managers will stamp every pencil PIF.
- Desk Managers will send out at least 3 pencils before giving customer Matrix.
- Desk Managers will verify the accuracy of every BDC quote giving prior to sending out pencil.
- Desk Managers first pencil will be at store average of 7.89% on retail and Tier 3 on lease, once credit is run pencil will be adjusted based on credit score with at least 2% markup were permitted.
- Desk Managers will be provided a front end goal at the beginning of each month by General Sales Manager.

TO's

(Managers Involved – Kyle Stojek, Freddie Rodriguez, Dave Prestipino and Ed Brown)

- TO Managers will ask the following questions when entering a deal.
 - When the numbers are agreeable and affordable, is the customer ready to move forward today?
 - Is the vehicle on the pencil the vehicle the customer wishes to purchase today?
 - Yes, begin negotiating
- TO Managers will utilize value building feature, advantage and benefit methods to help hold gross.
- TO Managers will offer alternatives to discounting vehicles such as; more money down, extended term, lease versus buy, less options or cheaper model.
- TO Managers will move in very small increments when discounting vehicles.
- TO Managers will work diligently at getting a commitment prior to coming back to the desk.
- TO Managers will ensure PIF for every offer and or commitment received.

Pricing / Matrix

(Managers involved – General Manager Jason Aufiero / BDC Department)

- General Manager will have the BDC Department price shop all the models in inventory weekly and or when he deems necessary.
- BDC department will communicate price shop information to General Manager.
- General Manager will communicate and or approve price modifications to Matrix.
- Price Matrix will be sent to Management Team.
- General Sales Manager will make sure Matrix is implemented and or followed correctly by sales Management team.

Sales Training

(Managers involved – Sales Management Staff)

- General Sales Manager will provide weekly training schedule to Sales Managers.
- General Sales Manager will Taylor specific training for sales staff to help build front end gross.

Measuring, Monitoring and Tracking Performance

(Manager involved – GSM Matt Leaman)

- General Sales Manager will review the Daily Tracker Report and review MTD results with MGMT staff daily.
- General Sales Manager will review the gross profit detail report daily and communicate MTD progress with Desk Managers.
- General Sales Manager will review the Daily Sales Report periodically during the day to monitor deal updates with posted gross.
- General Sales Manager will create and update daily KPI graph and share it with General manager and MGMT staff.
- General Sales Manager will work alongside the Desk Managers during the day and monitor deskings methodologies and ensure proper process.
- General Sales Manager will review sales staff MTD front end gross productivity with MGMT team weekly.
- General Sales Manager will meet with General Manager Bi - Weekly to discuss MTD progress.
- General Sales Manager will meet with General Manager the first Monday of every month and provide recap of previous month's performance which will include adjustments and or amendments to plan were deemed necessary.

Summary