

Management Action Plan – VO1

Student Name: Joe Leal

Dealership: Audi South Austin

Class & Student Number: HLA7

Current situation or challenge you want to address (narrow your focus):

There is a delay in pricing vehicles, and we still sometimes fall into the habit of pricing vehicles based on what we own them for vs. pricing them to market.

Overall objective (goal) and specific desired results:

The overall objective is to increase turn rate by pricing cars to market ASAP.

Describe your action plan in detail (including before and after measurements):

1. Pricing cars to market and getting inventory front line ready ASAP in order to increase turn rate.
2. Make sure salespeople are aware of how long we have had cars. Our team understands the importance of reducing agers, and they will focus on them if they know which ones they are. So that salespeople can easily identify the age of a car we have started using a system to communicate the car's age. We are using the second to last digit to code the cars: 9, is in shop(\$22,099), 1 is 0-21 days old (\$22,019), 2 is 22-30 days (\$21,929), 3 is 31-44 (\$21,839) and 45 days and older is a 0 (\$21,809). Salespeople know a car that lists for \$21,905 needs to find a home. If we can keep cars from aging this will also help us increase turn rate.
3. Monitor pricing daily and adjust in first look in order to make sure that cars are listed across all 3rd part site accurately and using the pricing tool in car gurus to make sure our cars are listed as good and great deals.

Timeline: What is your implementation date? Describe specific short-term and long-term checkpoints to monitor progress.

Implementation will start immediately 100% in place by Dec 1.

Will monitor the turn rate on a monthly basis to make sure that it is improving over 2019. Will also adjust pricing daily and focus on pricing agers to sell in order to prevent larger losses in the future.

Meeting with Stakeholders (dealership personnel):

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences, including timelines / accountability / process monitoring activity.

1. Who: Logan Maxwell. Greg Butts and all sales staff.
2. What: Talk to Used car managers about pricing cars more quickly and monitoring prices daily and adjusting to make sure that we pricing is to market.
3. By When: Right away
4. How: I have detailed the price coding system that will help communicate with salespeople the age categories for each car. Logan Maxwell will be the person primarily responsible for pricing the vehicles and monitoring daily.

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:

Here are results before and after we started pricing cars more quickly. There were recalls keeping our turn rate down before October and December was a stellar month but there is a trend upward in turn rate that we should be able to maintain through 2019.

Oct-18

Current units in stock	Last Month's sales	Month's supply
144	68	2.12
Month's Supply		Day's Supply
2.12	30	63.6
	Month's Supply	Turn
12	2.12	5.66

Nov-18

Current units in stock	Last Month's sales	Month's supply
122	53	2.30
Month's Supply		Day's Supply
2.3	30	69
	Month's Supply	Turn
12	2.3	5.22

Dec-18

Current units in stock	Last Month's sales	Month's supply
137	72	1.90
Month's Supply		Day's Supply
1.9	30	57
	Month's Supply	Turn
12	1.9	6.32

Jan-19

Current units in stock	Last Month's sales	Month's supply
74	79	0.94
Month's Supply		Day's Supply
0.94	30	28.2
	Month's Supply	Turn
12	0.94	12.77