

Management Action Plan – VO1

Student Name: Rick Taylor

Dealership: Rick Hendrick Chevrolet Buick GMC Richmond

Class & Student Number: HLA7-23

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

We lost our Used Car Manager during the late summer as we were embarking on a process designed to increase used vehicle sales and improve our time to market. We bought too many auction vehicles hoping the increased selection would drive additional sales. The only thing increased was the time to market due to time delays getting the vehicles here and the volume coming in negatively impacted our recon technician's turnaround time. Our internet closing percentage was also subpar.

Overall objective (goal) and specific desired results:

The overall goal is to increase Used Vehicle sales to 100 retail units per month, realizing that we have to effectively retail 70 a month, move to 80 a month, and 90 a month with consistency before hitting the century mark.

The specific desired result is to be at a minimum of 70 used vehicle retail sales by the end of 2018 and continue to climb as we move into 2019. We also wanted to concentrate on improving our internet closing percentage.

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

Meeting on Monday November 26th to discuss the health of our used car department. We had been on a buying spree to supplement our recent trades. We had to slow down on outside sourcing of vehicles. At the end of November we had 91 used vehicles in inventory with an average age of 40 days and 27 were missing photos online. Our sales for November bottomed out at 38 retail units. We closed 13 of 218 internet leads for 5.96%

At the end of December we had 98 used vehicles in inventory with an average age of 37 days and 38 were missing photos online. Our sales for December improved to 52 retail units. We greatly improved our internet closing to 9.76% with sales to 20 of 207 leads.

In January we concentrated on reducing the number of vehicles in inventory and put a sales spiff in place to move the overage units. At the end of January we had successfully lowered the inventory to 72 units with an average age of 33 days with 9 vehicles missing photos. Our sales increased to 69 units, narrowly missing the initial low target of 70. It felt like a win, however we fell drastically short on our internet closing. We increased our incoming leads to an unmanageable level. We received 325 used car leads and only sold 18 of them which lowered our closing percent for the month to 5.71%.

As I'm preparing to come to class next week, we are really moving in the right direction for February. Through Feb 6th we have sold 19 used vehicles and tracking 98 for the month. We currently have 70 retail ready units in stock and only 7 are missing photos. We are doing a great job with internet leads having sold 8 of our leads so far for a closing percent of 13.79%.

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

Implementation date was December 1st, 2018.

Short term checkpoints are our daily morning huddles where monthly progress is reported. That is followed by a daily lot walk where all previous day trades are reviewed, followed with a mini huddle of the used car manager and service manager. RO estimates from the previous day are to be reviewed as well as the retail/wholesale strategy on new trades. This is also when we look at the inventory level of both Hendrick Certified and Hendrick Affordable vehicles to make sure we have the right mix. We also monitor the GM vehicles to be in the GM Certified row insuring that we remain compliant with the program. Review of the used car internet leads are an ongoing all day every day event.

Long term checkpoints are our end of month recap meetings. In a perfect world any redirection required would be handled by trends that surface within the context of our daily huddles. The end of month recap enables us to review a 30 day window and discuss what worked well and what area needs more attention.

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.

Who: Mark Joseph- Used Manager

Chris Williams- New Manager

Matt Meschke- Sales Manager
Jared Hayden- BDC Manager
John Berry- Service Manager
Lee Hopkins- Lot attendant

What: Focus detailed attention on the Used Car department

Increase Internet leads and closing percent.

Improve Time to Market and Photos posted online.

Increase number of Hendrick Affordable cars available for sale..

Increase volume to 70 retail sales climbing to 100 by the end of the first Quarter of 2019.

By When: January 31st, 2019

How: We discussed the roll that each team member would play and the responsibilities that we had to each other. Mark Joseph is the point man for all used vehicle activity which includes a daily review of all vehicle appraisals. John Berry is responsible for overseeing the reconditioning process and daily communicating the recon bills with Mark on a daily basis. In Mark's absence, vehicle recon is communicated with Rick Taylor or David Nolan for approval. Failure to gain approval would result in a total chargeback to the service department. Lee Hopkins is responsible for lot merchandising at Mark's direction. Matt Meschke and Jared Hayden are responsible for reviewing every lead that comes into the store. They are reviewed and distributed to the sales team constantly throughout the day. They are also responsible to monitor follow up activity and reassign leads that are not properly handled.

Internet activity reports are reviewed in our daily sales meetings. Those with the highest internet closing percentages get more leads than those with a lesser performance. Failure to adhere to the eLead follow up process results in no leads being directed to you. Matt and Jared are responsible for working with non-performers to get them productive and keep them on the team. Daily coaching and counseling are imperative for the process to work.

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:

David Nolan has been a big part of this process and is always monitoring our progress. He has been receptive to our ideas and given us the public support needed in our daily sales meetings. He has been quick with feedback and our management team has been reciprocal with him as well. We have a great team!

