

Departmental Action Plan

Student Name: Philippe LeBlanc

Class & Student Number: N338-29

Academy Week: Week 04 - Variable Operations 1 Pre-Owned Vehicles

Current situation or challenge you want to address:

This is a two part problem: Some vehicles stay on our lot for a very long time freezing up our capital while other vehicles sell very quickly with too little gross.

Overall Objective and Specific Desired Results:

The overall objective is to increase turn and gross, however I will specifically be looking for us to reduce our vehicle inventory frozen capital.

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

I will examine our vehicle pricing methods. I will ensure that vehicles are priced to market, specifically by utilizing Firstlook's "market day's supply" feature; we are currently not utilizing that metric.

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

Progress may not be visible immediately, so I will monitor progress by checking in with my sales managers to ensure that vehicles are being priced to market. By May 1st, I will look at our vehicle grosses and inventory aging to determine if our strategy has worked.

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: Ensure that they understand how to price vehicles to market.
- c. By When: April 1, 2019
- d. How: Ensuring their understanding of market based pricing may require outside training if I am unable to train them myself.

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:

This was one of the easier meetings I have had; sponsor agreed that pricing can likely be improved and agreed with the plan to more weight on the “market day’s supply” metric.
