

Management Action Plan – VO1

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Dealership: Montrose Ford Fairlawn

Class & Student Number: NADA 342

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

Pricing Strategy, is based on old way of doing business and our used car turn rate is not conducive to today's market place.

Our current challenge is to get our management staff educated, trained and responsible for our new pricing strategy. We will be changing prices daily. As well as reviewing the competitive sets daily and rewording the descriptions daily on all pre-owned vehicles.

Overall objective (goal) and specific desired results:

Short Term Goal – Change every vehicle's price daily, change the description copy daily and research the competitive sets daily.

Long Term Goal – Get our Used Car Inventory on to a true 60 day turn.

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

1. Begin educating and training managers regarding the importance of vehicle pricing being changed daily.
2. Change around buckets with our vehicle management system.
 - a. 1-7 days
 - b. 8-14 days
 - c. 15-21 days
 - d. 22-28 days
 - e. 29-35 days
 - f. 35-45 days
 - g. 46-60 days
 - h. 60 + days

3. Institute a strong merchandising content plan. Involve sales staff and have them come up with their own descriptions on each used vehicle in stock. This is to become part of the “on-boarding” process of taking in a new “pre-owned” vehicle into inventory.
4. Establish a strong wholesale policy. Make a decision on a vehicle within the 1st hour of acquisition, regarding the end game of each and every used vehicle purchased by the dealership.
5. Fine tune compensation plan to accommodate our goal of reaching a 60 day turn. This update will be affected for both sales managers and the sales staff.
6. Monitor increases and decreases in VDP traffic daily, via Google analytics and vehicle merchandising tool (V-Auto) to monitor 3rd party site VDP's.
7. Give the staff a 60 day roller to accomplish reaching a 60 day turn so that we do not take a blood bath on older ages units that are losers.

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

Launch Date – May 1st

Mid – Way Check point – June 1st

Obtain objective – July 1st

Currently we have a total of 31 vehicles over 60 days old on property. 16 are over 90 days, 6 over 75 days, 9 over 60 days old and another 13 vehicles currently over 45 days old.

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: GM – Used Car Manager – Sales Manager
2. What: Have the team understand the importance of turn and how it frees up cash flow and frozen capital.
3. By When: Institute this on May 1st and reach our goal by July 1st.
4. How: Sit and meet with management team with a written plan blessed by our owner. Check up on vehicle management system daily and meet with store management weekly to check inventory health and progress.

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:

I have met with our CEO, explained the plan to him. He said, "This is a no brainer, do it".
