

Departmental Action Plan

Rivera Toyota
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N347

Current Situation: We currently having an issue with accessory sales. The finance department is marking up the accessories at a higher markup than parts, which is hurting our accessory sales in the sales dept. We also are on the bottom of the list of selling protection packages in our zone.

Overall Objective: My objective is to go to uniformed pricing on accessories, to increase sales on accessories and to hold a higher % of gross in parts. Also, to increase our protection package sales in the sales dept.

Proposed Timeline: March 1st - April 1st

Action Plan: Have parts sell the accessories to the sales department for list, to retain a higher % of gross in parts and to have finance sell them for list to increase the volume of accessory sales in the sales department. To increase our protection package sales, I came up with a bonus plan with the parts manager for the salesman. They will get a spiff from the parts department on every protection package they sell. The commissions of the sale

will come from the discounts we get from the factory by ordering a certain amount of protection packages. We made an account that the discounts will go in to from the factory and we will use that account to pay the salesman commissions on the sale. We also have protection packages on every car in our showroom and displayed in our parts dept.

Requirements:

1. Meeting with Dealer:

Action Proposed: I had a meeting with the GM, F&I Manager and Parts Manager on March 4th. We all agreed on the new process except the F&I Manager. He thought it would hurt our profit on accessories in the sales department which it potentially will if it doesn't increase the volume of sales. So we decided on certain accessories he will mark them up over list.

2.Meeting with stakeholder(s) (dealership personnel): I met with my sales team after we decided to go with this process. I explained to them what we were trying to accomplish. We also did some training on the benefits of a protection package and some other accessories. I also tied in accessory sales in to their bonuses.

3.Accountability: Monitoring progress:

Who: Me, Parts Manager, F&I Manager, Sales Team,
What: Tracking Sales

By When: End of March

How: Meetings during the week, to get feedback on new process and also to track where we are at in sales for the month.

4. Describe checkpoints that have been established to measure progress:

Daily / Weekly / Bi-weekly / Monthly /

Date(s) for review: Bi-weekly meetings, our goal is to sell 30 % of our sales protection packages. So our objective was 250 cars for the month. (30%) 75 protection packages for the month is our goal. So we have meetings to track our sales and to see how the new process is working. I like to get the feedback from them.

5. Estimated cost for implementation: The cost is very minimum for my plan of action, unless my plan fails and we don't increase the volume of sales, it can cost the dealership money.

Projected date of completion: April 1st. If it's a successful plan of action, which it looks like it is, we will stay with this process.

Sponsor Signature: Alex Muscarella

Evaluation of Results:

Impact Areas: Protection Packages

Sales/ Profit/	Gross/	Expenses/	Net
\$20,790	\$11,970	\$840	
\$11,130			

Sold 42 Protection Packages in March. (Retail \$495 -Cost \$210 Including Labor with factory incentives). We fell short of our Objective but we didn't implement this process until the middle of March. We sold the most protection packages in March, than we ever sold before in a month. We will continue this process going forward.

**March - 255 total Vehicles sold / 42
Protection Packages= 16.4%**