

Management Action Plan – VO1

Student Name: Justin Candea

Dealership: Young Volvo

Class & Student Number: ATD040-01

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

Our used truck inventory is not tracked or monitored how it should be. We do not have a consistent plan for each unit when it arrives, we are not pre-selling, all this combined allows for units to age fast and not sell within the first 30-60 days to maximize profit.

Overall objective (goal) and specific desired results:

The goal is to implement a consistent plan for all used truck inventory. This will allow for a more detailed and efficient process to get trucks moving and sell faster. Ultimately making for a more profitable used truck department.

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

Currently our used truck manager does not have clear goals or what success in his department looks like. This is since we have always treated the used department as a necessary evil; new trucks always took precedent. With the increasing amount of new truck deals that we have received, we have taken in more trades than ever before. It has always been stated that the trades just need to be a wash so we get the new truck deal. These deals can be a wash, but there needs to be incentive to go get deals that are not trade ins to make

the department profitable. My plan is to set goals, detail what we are looking for in aging units, set pay plans to go after purchases that are not trade ins. All of this will allow for the used truck department to stand alone, and not be dependent of the new truck department.

The measurements for this will be to set an aging report that will be updated weekly. This will show every unit that is in stock and where it is at with aging. In addition to this there will be an aging plan with detailed notes to show what we are doing with each unit for each segment in time. Measurements before this were non existent and when there was reason to take a unit to auction or to drop price it was done, no concrete plan for each segment of time.

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

Implementation date has already happened following conclusion of Used Truck Week.

Short term checkpoints are to make sure that the aging analysis is being used weekly and we are following up with all units as they go through the shop and we are not losing time on a particular unit "because it is forgotten".

Long term checkpoints will be to continually look at the trends for profit, days in inventory, turns, and # of units for the used truck department. This will make it clear to see how the new plan is working.

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: Mike Smith (used truck manager)
2. What: Go over in detail new plan, aging timeline, and get him on board. Discuss issues/concerns. Monitor and evaluate weekly to make sure all tools and aging plan is being used properly.
3. By When: 4/1/19
4. How: Discuss to bring up his concerns/issues

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:

This has already been discussed in detail with Craig Young (President), he agrees with the entire plan. Our saying is to “make our customers successful”, we can’t do this if we do not have a clear plan and what our expectations are for our own employees. Laying out this plan for the used truck department will allow Mike to take ownership of his department and make it successful with a plan that is approved by ownership.
