

Management Action Plan – VO1

Student Name: R.C. Euler

Dealership: Whiteford Kenworth

Class & Student Number: 040-03

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

Used truck inventory volume and aging

Overall objective (goal) and specific desired results:

Increase used truck turns to 6

Current February YTD we are at 1.45

Increase turns and manage inventory to get Months on hand to 2

Months on hand is 8.28

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

We can monitor our numbers monthly on the 20 group composite sheet on NADA page 6 column 11. We will check these calculations on the composite site monthly. We want to be at guide by July 31, 2019.

We will also track current aging by our detailed unit aging sheet and amount of inventory by doing the days on hand calculation manually. Assess our aging situation weekly in a sales meeting. We are currently at 8.28 ytd months on hand with our Goal being 2. We need to have the aging inline by July 31st 2019.

We will have to do better at timely transportation of our used vehicles we purchase and recondition cycle times. We also need to use the TOE method when looking at our process and cycles. Work with our sales managers to evaluate the inventory and either liquidate it by lowering the retail price or wholesaling the inventory ASAP. This decision must happen immediately at time of inspection and or trade. We must get our trucks that we purchase to our lot quicker and recondition them within 30 days. We have also

hired a second detail shop to improve flow and turnaround. Evaluate current inventory and be disciplined buyers. In the past we have just bought without looking at current inventory levels and assessing the market. Need to improve our time to the front line!!

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

Implementation date is May 1st. We will have weekly meetings to check on inventory and track the progress. We will also do manual calculations weekly on where we are at. Long term we will track it through the 20 group composite site.

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:
2. What:
3. By When:
4. How:

Roy Vaughan used truck manager, Kyle Williams Sales Manager, Doug Kerr Used Truck Sales and R.C. Euler GM

We will need additional assistance and training due to the compensation and commission structure that only tracks GP and not aging or turns. We will need to have meetings weekly and set goals on aging and turns to hit our marks.

We will be halting outside used truck purchases until we get aging inline unless approved by the General Manager. We cannot simply sell around our aged inventory. Let the managers know we are serious about hitting these marks as well and written write ups if we do not get these issues fixed. We must start moving the needle in the right direction before month end. We need to have at least the month on hand in line by July 31st 2019. Turns needs to be headed in the right direction and at least 5 by July 31st 2019. We have also brought on an additional sales person since I have started this project. This will free up our sales manager from selling with most of his time and start managing.

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:

Ron and I have spoken on this issue and he supports the plan and getting turns headed back in the right direction. He is out of the country and has some personal responsibilities he is attending to right now so he basically said sounds good and make it happen. Turns have been an issue we have struggled with for a long time as well as months on hand. PFC our floor plan provider has been pushing on this issue for a while now. We have casually addressed this situation before but always fall back into our old routine.
