

# Management Action Plan – VO1

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

We are currently trying to focus on selling more CPO vehicles. We are the newest VW store in our market and we need to increase our VIO numbers in our service department. We also don't have the new car numbers we need to help improve these numbers in a reasonable time frame so if we can offset our new car numbers with an increase in CPO units we will hopefully see an increase in VIO. When our new GSM first came on board he wasn't retailing many pre-owned VW's as recon bills and market day supply is higher than Japanese imports in our market, so he is hesitant to load our inventory with CPO units.

## **Overall objective (goal) and specific desired results:**

- Improve VIO numbers in our service department which will ultimately increase service numbers and allow our service department to grow.
- Maintain or improve used car turn, this will help ALL departments in the store. Gross for parts and service on the recon and front and back gross for sales.
- Stimulate our new car department for both numbers and turn.

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

The first step to accomplishing this goal is to have pre-owned VW's available for us to CPO and retail. We need to improve our sourcing strategies to acquire these vehicles at the best possible price. We are aware auction units vs. trades are much more expensive to acquire. This being said it is important we try and source as many VW trades as possible. The first step to this would be to ramp up are vehicle exchange program and aggressively market our new vehicle department in order to stock our CPO inventory. We are going to spiff service advisors on sales generated out of the service drive. We will measure our CPO units sold over the next six months. We hope to have at least a 20% increase in CPO sales as a % of

total used car sales. We are currently selling about 20% CPO's of used cars per month and forecast to be at 40% of used sales in six months. We will be pricing our CPO's extremely competitive in the market, even if we don't hold a strong front gross initially we will make a sale to have a shot to make gross in the back end and retain 60% of the recon for parts and service while hopefully gaining a vehicle in operation for service. As I stated earlier we are going to focus on our vehicle exchange program and really try and work the customers in the service drive as we seem to loose opportunity in our drive as sale consultants don't utilize this tool to mine deals. We are currently under staffed and don't have an official used car manager, our GSM is handling our pre-owned department currently. We are looking for the right person to fill that spot and with filling that spot we hope to be able to better manage our used car inventory and allow our GSM to focus on his other tasks. The three main steps to this plan are sourcing vehicles correctly, growing our vehicle exchange program and hiring a used car manager.

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

We implemented this plan effective 4/1/19 and are tracking it over the next six months to monitor progress. Over 6 months we plan to increase CPO sales by 20%. Short term check points will be weekly tracking of units sold as CPO's at weekly manager meetings. We also added a CPO column to our used car log on google docs this always everyone to have clear access to CPO's running through the shop to make sure we have an idea of what CPO's we will have in our inventory mix. We will have monthly reviews to ensure we are improving at rates that will allow us to hit our 20% growth in no longer than six months.

### **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: Our GSM will need to focus more on sourcing more VW used cars to add to our inventory, he will need to make sure sale consultants are aware of our goal and teach them on the processes we are taking to reach our goal. Must be a team effort.
2. What: Coach employees on our goal and steps to take to get there, have monthly meetings with VP of sales of the auto group to ensure we are trending where we need to be.

3. By when: Six months in the goal, hoping to see improvements before six months however, we feel with small adjustments we will be able to change this relatively quickly.
4. How: As stated in the action plan, tracking and process are going to be the main two steps to be successful.

**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:

My sponsor is our DP and he is completely on board with this action plan, he is aware of the benefits we will see as a store from this plan. He will be looking for results in six months to address our success with this plan. One objection that was pointed out would be making sure we don't take away efforts to ensure our off brand used inventory is the correct mix and making sure we stay profitable with off brand used cars as well.