

# Departmental Action Plan Template Truck

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Class & Student Number: ATD040-10

Academy Week (Var II):5

Current situation or challenge you want to address in the following categories, please select one:

1. Sales Meeting Best Practices
2. Employee Retention
3. F&I
4. New Truck Inventory
- 5. Gross Profit Retention**

# 6. New Truck Sales Process

- **Overall Objective and Specific Desired Results:** To increase gross profit from sale of new vehicles by implementing packs. Desired results: are to offset the costs associated with the new vehicles. Ex. Floor plan, DOT, fuel, and washing.
- **Describe your action plan in detail (be specific and include before and after measurements)**

Sales is not my department, but before class I have always asked about how we book floor plan and other expense charges for new vehicles. I was told by the sales director that we absorb these expenses. Well since class, I have brought up about how other dealers are being successful in using packs to offset expenses. When I mentioned packs for my pre-work, the director said we don't use those, they are a joke. After having my meeting with owners about packs, we will be implementing them. This will help us to retain more gross profit on the sale of new and used vehicles. I have also asked about doc fees. We currently are not charging for this either. We will also start charging for this in the near future. To track and monitor this we will be reconciling our GL accounts that we create. We will setup an account to credit the pack charge into, and then offset the expense account for each expense. Our before measurement will start out with a zero account balance for the packs. Our after measurements will show a running balance that is trackable by day, week, month, or year for the amount of money put into the pack GL account. Our pack fees will be 1800.00 for all new units put into stock, 1000.00 for all sold units and used units, and 200.00 for each new or used trailer sold or stocked. We also will be able to track expenses and see a decrease in year over year expenses. Making use of the GL accounts will be our gauge for how successful this will be. These GL accounts will also be reflected on or P&L statements that are released daily.

- **Timeline: Describe specific short term and long term checkpoints to monitor progress**

The policy was drafted on 5-21-19. The policy will be rolled out in the sales team meeting on 5-24-19. Short term checkpoints will be done weekly making sure that the sales team is aware of changes and are following the new policy. Making sure that the sales admin is handling the booking of these packs and offsetting the expense. This will be brought into our leadership meetings weekly, and will also be the responsibility of the Director to monitor. Every week, based off when trucks are sold, we will have a report showing the pack amounts for the previous week and show the offsets to the expense accounts. Long term checkpoints: Every month, we will monitor this same data as well for the previous month. Once we create enough data in the system, we will be able to bounce off of a yearly number. Once again, these numbers will all be reported weekly in our leadership meeting, and will reflect on our daily P&L reports. I am excited to see this be successful. Being in fixed operations, I know that we are carrying the majority of expenses for the whole dealership. Sales seem to have large expenses and this is some of the reason why they are not as profitable. It will be a relief to have the sales department to contribute more to the dealership expenses.

- **Meeting with Stakeholders (dealership personnel)**

- o Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences (PINO, Gain, Pain). Include timelines / Accountability / Monitoring process

- Who: Dealer Principals
- What: Implement use of packs for new and used truck sales
- By When: Immediately
- How: Draft a policy on packs. Update sales Director on how to monitor and make sure packs are understood. Make sure the attitude of the Director is changed so that he no longer feels that packs are a joke. If he does not buy in, no one else will either. Have a training session with all sales staff including Director, sales admin, and sales people. Make sure everyone knows and understands the new policy and what the benefits are that come with the policy. From listening in class, it seems this may be a delicate subject for the sales force, but as long as we adjust and help them to understand the whys', all will be successful. Let the sales team know that the progress will be tracked on a weekly basis at the leadership meetings. These meetings occur every Tuesday and every department is reviewed.

