

# Departmental Action Plan

Student Name: ANGEL LEDON

Class & Student Number: NADA 32-13

Academy Week (Var II): 5

## Current situation or challenge:

Our current level of inventory has increased by 81 vehicles. This was due to the sale of our sister ford store in the same area. We inherited the vehicles; the new buyers were rejecting. Most are service loaners with miles, others are demos and customized specialty trucks. In the mix of vehicles, the years range from 2014 to 2019. This increase is on top of the already high amount of existing inventory.

## Overall Objective and Desired Results:

Will be to decrease the 81 inherited vehicles by September 30, 2019. Currently we have 5.62 months' supply of inventory and reduce that to BOC 4.40 by the same time.

## Action plan in detail:

Getting our inventory in line is critical to our success, there fore I call for all hands-on deck in this matter! The first thing we did is address the sellable condition of those 81 vehicles. For that I have assigned the preowned manager with the assistance of one of the new car managers to speed up reconditioning with priority, the service manager is on board with the knowledge that time is of the essence getting these vehicles ready. In addition to that we are doing an analysis of the last 90 days sales to determine our best moving models. This will assist us in coming up with an aggressive marketing campaign and specific pay plans to move these vehicles.

Since most of the vehicles are new an advertising campaign announcing **CLEARNCE OF SELECTED NEW VEHICLES WITH SAVINGS OF UP 60% OFF ORIGINAL MSRP THIS MONTH ONLY!** In addition to this we are targeting best sellers in the last 90 days which are, the

F-150, Mustang, Explorer and focusing our marketing on these units. A nice staging area with signage will be provided as well.

I will work closely with the inventory specialist and managers on a weekly basis in the Monday staff meeting to make sure the vehicles are positioned right in pricing, pictures and descriptions. We will do this on a weekly basis in vauto to make sure the merchandising is adequate. In addition, we will focus the desk managers to promote the switch to one of these vehicles and in our save a deal meeting focus on the possibility of putting a deal together on one of the vehicles.

I have also given instructions not to take anything back on dealer trades without my authorization. This should also help increase the turn and lower the month supply of new vehicles. We are doing all this keeping in mind that most of the 81 vehicles pricing have been adjusted to its proper present market preowned values even though they are new vehicles MSO's. This will make the pricing and marketing very attractive. In addition, the special pay plan designed to motivate the client advisors towards those vehicles is great. **A Copy of the supplemental pay plan is attached.** All keeping in mind that maintaining the profitability of the department is part of this action plan. When necessary I will adjust our advertised prices, evaluate the descriptions, and make sure each vehicle is positioned competitively. The goal is to move 20 of the inherited vehicles a month and streamline new orders to the most popular models.

## **Timeline:**

4 months by September 30<sup>th</sup>, 2019

As mention daily one on one with sales staff will be front and center reminding them to familiarize yourself with the vehicles.

Weekly staff meetings to track the progress of the effectiveness of the advertising and asses its outcome, how many of the targeted vehicles were sold. Create event in Friday's staff meeting by acknowledging the client advisor that have sold them and announce the money made.

Monthly assessment of goals established 20 of the inherited vehicles sold a must. Monthly tracking of dealer trades, inventory ordered and positions correctly in vauto



## Meeting with Stakeholders (dealership personnel)

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

- a. Who: GM, GSM, all managers new and preowned, BDC staff, sales staff and porters.
- b. What: ALL HANDS-ON DECK WITH THIS ACTION PLAN!
- c. By When: BY SEPTEMBER 30<sup>TH</sup>, 2019 NO EXCEPTIONS!
- d. How: BY ENGRAVING THIS ACTION PLAN IN STONE!
- e. Every morning in the managers one on one with the sales staff accountability of this plan will be monitored and awareness of these vehicles will be front and center.

## 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:

---