

# Management Action Plan – VO1

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Dealership: Reichard Chevrolet

Class & Student Number: N344-10

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

For this action plan, I want to focus on getting rid of our excess of extremely aged units. Current situation – 21 used vehicles in stock over 100 days old.

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

My desired result is to get rid of all 21 units over 100 days in age within 2 weeks. Then I can focus on working on a strict turn by continuing and bettering the process so more do not get to this age.

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

### Before:

- No current age limit/turn goals
- Sales manager and myself have too much focus on helping salesmen sell cars among other things instead of keeping inventory in line
- No trade walks taking place
- Excess aged units with no plan in place to prevent more aged units in the future

### Plan:

I have three main ideas to get rid of the 21 units ASAP. On the units that apply, we can adjust pricing very aggressively to potentially gain a trade, f&l money, and/or gain a service customer. At the same time, I want to select good selling models at our sister store and take them down to display on their lot. Then we can potentially bring back some of their aged units to make sure our lot doesn't appear low/leave them with excess. After this, our final step is wholesaling and auctions. I will implement this interchangeably depending on the vehicle and opinions of my dad and sales manager.

### Results:

Below I have attached a snip of my excel sheet I made for the first two weeks back. You can see that we salvaged some money in finance, gained a few trades, and got rid of half the oldest units! However not all 21 like I had hoped for and I have not had much impact on getting rid of them on wholesale.

<b>100+ days aged sales results week 1&amp;2:</b>					
<b>Sold after price adjustment</b>		<b>Age</b>	<b>Front Gross</b>	<b>Back Gross</b>	<b>Trade</b>
1	2015 Traverse	288	\$ 350.00	\$1,050.00	Y
2	2015 Silverado	211	\$ 1,050.00	\$2,050.00	Y
3	2015 ATS	188	\$ 1,380.00	\$ 800.00	
4	2005 Trailblazer	203	\$ 385.00	\$ 185.00	
5	1998 Corvette	144	\$ 2,325.00	\$ -	
6	2015 Impala	221	\$ 100.00	\$1,050.00	Y
7	2016 Equinox	119	\$ 1,620.00	\$ 700.00	
8	2008 Suburban	109	\$ 2,650.00	\$ -	
<b>Sold after swapping between lots</b>					
9	2016 Colorado	110	\$ 680.00	\$ -	WS
10	2016 Sierra	175	\$ 1,675.00	\$2,050.00	
11	2016 Regal	206	\$ 2,525.00	\$1,300.00	

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

Implementation date: Immediately – Began new processes the day I got home from class 4/27/2019.

Short term: Sit in on weekly sales meetings to ensure old units are being discussed and emphasized, trade walks are occurring, and to hear what is working and what isn't from my team. Communicate with my brother (used car manager) at our sister store about daily activity with every vehicle switched between the lots. Regularly check our DMS aged units list and assist general sales manager in deciding price cuts and wholesales.

Long term: Monitor for a couple months and decide if it is necessary for our size of store to hire an "inventory specialist" to monitor PTM and MDS daily vs. our current processes.

**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:** Myself, my father, my sales manager, my sales team, as well as my brother (used sales manager at our sister store).
2. **What:** There is a lot of behavior that will need adjusting between each person listed above. I need my dad and sales manager of 35 years to buy in to the velocity model, I

need my sales team to be open to the changing times with internet leads vs. less walk-ins, I need my brother to cooperate with my sales manager and I for the lot switches, and lastly I need to be more involved with monitoring the above processes. My salesmen are both good and bad about internet leads. Their responses are decent; they answer questions, provide vehicle pictures, a picture of themselves, all our contact info., but are lacking in the attitude area about the quality of internet leads. This change will have to start with myself and my sales manager ensuring proper response times as well as continual follow-up since these shoppers do not buy right away most of the time.

3. **By When:** All of these changes need to happen immediately, however I assume it will take a month or two of progress to prove to my dad and sales manager the worth. We do however have a weekly Friday sales meeting where we will discuss internet lead follow up and aged units like I mentioned above.
4. **How:** Daily/weekly monitoring of MDS and PTM, trade walks with salesmen, detail and pictures posted before new trades getting hung up in service for any recon, detailed descriptions on every vehicle on website, salesmen have access to post vehicle updates on social media, share inventory with sister store online and switch around aged units between the two lots.

#### **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:**

I am my own sponsor/dealer, but I do try to run anything and everything by my dad out of respect and because of his experiences in the business. He is very hesitant about Dale's velocity model and always has been. My grandfather is still the dealer at our sister store, which my dad currently runs and they experience the exact same issues there as we do here. So I just bring up that we both wanted me to come to the academy, not to change everything because they are both extremely successful dealers, but times are changing and we need to get some fresh ideas to keep up with the newer ways of running dealerships! He agreed and we will try these ideas and just keep up with monitoring and make any needed adjustments along the way.

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