Management Action Plan – VO1

Student Name: Rob Daland

Dealership: Glen Toyota

Class & Student Number: N345-21

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

Our turn rate is 5.5

Plan to increase turn and profitability

Need to speed up recon, my time of recon was 12 days and is down to 8

Need full management by in on "Velocity"

Have to take realistic losses to eliminate further loss

Old and dead inventory represents 32% of my inventory

Need vehicle acquisition and appraising to be done with a defined plan

Defined turn policy, 90 days

Overall objective (goal) and specific desired results:

My goal is to get to 8 turns then to 12 turns per year

Getting to 8 would increase my yearly FE by 151k and projects a total of 1.3M in additional income.

Recon goal is 4 days

Retrain all the managers on Vauto and go over the full plan. (Velocity, Market Days Supply & ACTM)

Eliminate worst investments by starting with 3 per week

Make Pre-auction cars available "as is" to add to gross and less wholesale loss

Not rely on only Dealer Direct for off lease purchases. Find other sources for inventory and work in trade capture.

Utilize data from Polk, Cars.com and Autotrader to pinpoint vehicles selling and being searched in our PMA.

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

My time of recon was 12 days and is down to 8 and needs to be 4 days. All units are brought to recon as they are traded or the day they arrive. The data is put in a shared file that the Pre-owned Manager, Service Manager and GM have access to. All recon recommendations are approved or declined as they happen. This is monitored and measured daily. New incentive/penalty pay plan will be drafted if turn does not immediately improve.

Our Performance Manager and Autotrader rep from Cox met with me and the Used Car Manager to review areas of opportunity. We then had all of my managers retrained on Vauto and an in depth class on Velocity and how I want them to appraise vehicle. This was to make sure they are making wise decisions with these investments as opposed to emotional decisions on inventory. All need to be on same exact page.

The 3 worst investments as well as others are reviewed weekly with the Preowned Manager, GSM and GM. If the vehicles have not been retailed by selling or bonuses they are sent to the auction each Tuesday. Additionally, exit strategy on each unit is discussed.

All data that show what is being sold in the PMA is analyzed and addressed twice per month minimum.

Preowned manager is to purchase vehicles with a defined plan not on emotion or guesswork. Market days supply and ACTM are to be the main deciding factor especially when buying from Dealerdaily. OVE is to be used to buy off brands.

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

All of these have initial start date and get reviewed and measured monthly, quarterly and yearly for possible revisions on enhancements.

Recon new process: Start date 6/1

Recon Service incentive draft if necessary: 7/31

Vauto retrain : 6/1 and monthly meeting with Performance Manager.

Worst Investments process: 6/15

Data Meetings 2x per month during management meeting : 6/15

Preowned Manager acquisition process: 6/1

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: Preowned Manager, Sales Managers and Service Manager
   All need to be on the same page. The behavior change is really the process and the inspection after. Went over actual additional income that will be brought to the table.
2. What: Meetings, coaching as well as input . Training as well
3. By When: see above in timeline