

Management Action Plan – VO1

Student Name: George Tabarez

Dealership: The Ford Store Morgan Hill

Class & Student Number: N345, #31

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

Currently my used car department is not selling the number of units that I feel we are capable of selling considering our physical size, location and the way we do business. In addition to that I feel we should grow our used car inventory to help facilitate my desire to sell more used cars.

Overall objective (goal) and specific desired results:

It is my goal to be able to turn my inventory at least one to two times more per year and increase our retail ready frontline inventory and have 90 to 100 used cars at any given time.

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

At this time we are averaging about 75 used car deals per month. This equals about ten turns per year and we have been able to do this by having 65 to 75 retail ready units in stock. In order to increase our Used Car Turn from 10 to 12 I would need to sell approximately 20 more units per month. I feel that in order to accomplish this I would need to grow our used car inventory to about 90 to 95 retail ready units.

This year we've averaged 76 used car deals per month and of those we consistently average around a split of 75% Ford's and 25% other brands. In addition 80% of the Ford's sold are CPO's.

So I have found that I need to do two things to ensure my success in increasing my used car turn and growing my inventory. I will be tasking my used car manager to buy or retain more of our non-Ford trade in's. Secondly I will be asking him to certify any Ford's we buy or take in on trade as well. In doing so I am confident that I will be able to find the 20 deals needed to increase my turn from 10 to 12 and in attempting to diversify my non-Ford inventory the overall used car count will go up.

By doing the two things mentioned I will be generating approximately 2 million dollars of additional gross for our dealership based on the calculations we did in week 4.

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

Our implementation date is 07/01/19.

To start I will be having weekly meetings with my used car manager to review what vehicles we took in on trade, what we are keeping and what he plans to wholesale. I will also ask to for him to review his acquisitions for that week both Ford and other brands.

Secondly I will review monthly the used car department's results to include total units retailed, wholesale and the ratio of Ford's to non-Fords.

Lastly I will review the inventory count and track to see if we are growing in order to achieve our goals mentioned above.

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: Used car manager and Assistant used car manager
2. What: Actively search out non Ford inventory.
3. By When: 90 days.
4. How: Weekly, monthly and quarterly meetings.
5. The above mentioned people, training, process monitoring and activities will be continuously tracked and monitored. Accountability will occur at our weekly meetings when we review every detail pertaining to the used car department.

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 do not need my Dealers permission to make these changes and implement our new process.
