

Departmental Action Plan Template

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Academy Week (Var II): Week 5

Current situation or challenge you want to address: (must be quantifiable) I want to increase my current new vehicle inventory turn from 2.6 per year to 4.6 per year.

Overall Objective and **Specific** Desired Results:

I want to be at 4.6 turns per year by Close of Business Dec 31st. I will be starting this focus Aug 1st.

Describe your action plan in detail (be specific and include before and after **Measurements**)

This challenge will start Aug 1st with an inventory turn of 2.6

I need to start off by continuing to analyze the exact vehicles that are turning quickly, right down to color and trim. Once I have that exact data in a spreadsheet, I will have to identify the makes and models that do not fit the criteria for the store. These vehicles will be priced aggressively to move them. I will also take more time with weekly with the manager that I have ordering new vehicles, to make sure the correct vehicles are being ordered. We order what we sell not what we would like to drive. I will also swap out and possible sell to brokers units that are distressed. In doing this I will bring the total inventory down. With the inventory dollar amount down and the right vehicles coming down the pipeline, I should be able to keep the inventory dollars down and increase the turn. We are currently at \$5434982 in inventory. When I get the turn up and stock the

units that sell, the inventory amount \$\$\$ will come down as well, allowing for a reduction in floorplan costs. This will allow for a better profit opportunity for the store as well.

I will be at 3.1 turns by the end of August

I will be at 3.5 turns by the end of September

I will be at 4.0 turns by the end of October

I will be at 4.4 turns by the end of November

I will be at 4.6 turns plus by the close of Business December 31st.

When this is completed, I should have a lower inventory not only by units but also by dollars. Also, by keeping a cleaner inventory it will allow for the following:

Ability to keep a consistent pipeline of vehicles coming, the ones that sell

Ability to keep advertising and floorplan constant , but with quick turns not relying on it as the only profit, but in addition to profit.

Ability to keep floor plan cost lower, thus trying to break the cycle of a constant reliance on factory assistance.

Timeline:

Describe specific short term and long term checkpoints to monitor progress

Start date Aug 1st

Check points Sept 1st, October 1st, November 1st and January 2nd.

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: Myself, the owner, manager assigned to order and each supporting manager in the store, along with the front line sales staff.
- b. What: Reduce Inventory levels and increase the turn
- c. By When: Various check points as previously described, concluding Dec. 31st 2019 and then continuing into 2020 for further turn improvements
- d. How: I need to meet with the owner to review this action plan. I then need to continue to analyze the current inventory, what turns the best and get those units in the pipeline and strategically swapped in. I need to swap out, aggressively retail and wholesale non turners. Concurrently, I need to sit with the ordering manager to review the inventory analysis. With that data I will sit with him weekly to assist with the ordering process. Concurrently, I need to aggressively price the slow turners, and focus the sales staff with training and coaching to show, demo and sell these slow movers. The supporting desk and internet managers will have this reviewed with them as well so everyone is aware of these points.
 - a. Reducing inventory
 - b. Getting rid of the weeds
 - c. Getting in quick turners
 - d. Pricing units to move
 - e. Ensure sales process is being used so that we can maximize the retail of these units to all the opportunities in and out of the store.
 - f. Continue a digital presents that is effectively moving these units and bringing traffic in

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:

He and I reviewing the current situation and data, then together agreeing that our reliance on the factory has to be reduced. One of the ways to do it as previously described. We will be on the same page because this has been a topic of discussion since trunk money has become the profit of the store.