

Departmental Action Plan Template

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Academy Week (Var II):

Current situation or challenge you want to address: (must be quantifiable)-The current situation I would like to address at my dealership would be the number of New vehicle we stock. At the time of my analysis we had 610 new vehicles totaling approximately \$22,000,000 of inventory.

Overall Objective and **Specific** Desired Results: My overall objective would be to reduce the inventory down to 500 new vehicles in stock and the corresponding dollars of the 500 new vehicles.

Describe your action plan in detail (be specific and include before and after **Measurements**)-The following listed items are the all of the necessary step to get to my goal.

1. Acknowledge that 610 new vehicles is wrong number and determine the correct and desired number which is 500.
2. Have a meeting with the sales managers, inventory manager, General Manager and Dealer Principal to evaluate the current inventory and the dollars tied to it. In

this meeting we would calculate the monthly and yearly flooring expense for the current inventory.

3. Whenever possible trade away any inventory possible without taking a unit back.
4. Reach out to inventory placing companies to sell off excess inventory.
5. Implement an inventory 10 day contest for the salespeople. The contest would have a 1st, 2nd and 3rd place incentive and it would be based on days in stock and points. The older the unit the more points you get.
6. Use the New Stock Analysis Calculator to make sure we are stocking the correct inventory. Basically to confirm if we are stocking what we sell. We currently are stocking a higher dollar value than we are selling on 7 out of 16 vehicle lines.
7. Use the New Stock Analysis Template to visually see the current and future inventory situation. At this time 50% of my inventory is "old" or "dead".
8. Calculate the affect that the "old" or "dead" inventory has on out net profit. Share this information will all that are affected financially by it.

Timeline:

Describe specific short term and long term checkpoints to monitor progress

1. Meeting with Dealer Principal to inform every one of the aforementioned action plan is scheduled for September 20, 2019.
2. Weekly inventory meetings with inventory manager to discuss the number of units in stock and the total dollars of said inventory.
3. Weekly meeting with sales staff to review contest update.
4. Monthly review of the of the flooring cost and flooring credits.
5. Monthly wholesale meeting with OEM to discuss inventory needs.
6. Grand review on January 1, 2020 to confirm our accomplishment.

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: DP, GM and inventory manager.
- b. What: Reduce New vehicle inventory and eliminate the approximate \$55000.00 per month net flooring expense.
- c. By When: December 31st 2019.
- d. How: Weekly inventory meetings with the inventory manager. Review current number of units for each model, their age and total dollars for the mentioned inventory.
- e. Why: For the overall financial benefit of the store and ultimately to all that would earn more pay by eliminating the expense.

Dealer agreement:

If you need your sponsors support or approval to implement your plan, have it signed off before you start.
