

## Management Action Plan – VO1

Student Name: Daniel Giannotti

Dealership: Acura of Westchester

Class & Student Number: N347

**Current situation or challenge you want to address (narrow your focus):** Our current situation is we are not turning our inventory fast enough. Before our class our turn was at 7. We had 15% of our inventory over 60 days.

**Overall objective (goal) and specific desired results:** My goal is to get our turn to 12 without hurting our grosses, which will be challenging. By increasing our turn that will help eliminate our aged inventory and increase gross profit in service, parts and finance dept.

**Describe your action plan in detail (including before and after measurements):** My action plan will start by getting our inventory front line ready faster. I had meetings with our body shops, prep dept, and service dept to explain how crucial it is, to get the work done in a timely manner. This will not just benefit the used car dept but every dept, I explained. I will also price more aggressively, looking more at market day supply and competitive set on V-auto to determine my price to market. I had an

**outside company taking photos of our inventory which wasn't working out great so I decided to have someone at the dealership take them.**

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

July 1<sup>st</sup> Start Date

Daily Follow up with shops to see ETA on vehicles.

( We have a tool we created CARFLOW PRO that allows me to see how long and where a vehicle is)

I will look at my internet prices daily to see if changes need to be made based on MDS.

**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.

My first meeting was with the body shop owners, I explained to them to continue doing business with us they have to get our vehicles back faster. I told them, If they need to hire more employees to accomplish that, I will guarantee that we always have work for

them. The faster they get the job done, the more work I can give them. Spoke to our Service Manager about hiring another certified tech because they are always behind on work. I explained to him my goal and how it will increase his bottom line. I also spoke to the techs we have about working overtime to certify vehicles.

My goal is to have our vehicles front line ready in 3 days.

August 1<sup>st</sup>-

<b>Total Investment</b>	\$1,780,009	<b>Water %</b>	8.60%
<b>Vehicle Count</b>	75	<b>Water</b>	\$153,066
<b>Avg Investment</b>	\$23,733	<b>Turn</b>	13.23
<b>Adj Avg % of Market</b>	97%	<b>Adj % Cost To Market</b>	85%
<b>Avg Days in Inventory</b>	28	<b>Red/Black Vehicles</b>	74 / 1

Since the changes I made, we have increased our turn to 13.23 and our F/E gross was not as bad as I thought it would be. I am now working on getting more products to sell in Finance and training them on using the menu to increase gross profit. We are up 32% in volume YTD from 2018.

JULY 2018 – 62 sales

JULY 2019- 84 sales up 35% from last July

F/E \$1071.41

F/E \$1078.73

B/E \$2008.81

B/E \$1477

**\$3080.62**

**\$2555.73**

### 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 spoke to Alex when we came back from class. I explained to him my action plan. I told him by increasing our turn, not only we will do more volume we will have less aged inventory, less floor plan interest, more opportunity for the finance dept and the service dept will have more internal ro's. The downside side to it, we might loss front end gross profit. He agreed with me, and told me to try it out for 30 days.

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