

Management Action Plan – VO1

Student Name: Ruben Arcila
Dealership: DCH Kay Honda
Class & Student Number: N-348

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

DCH Kay Honda is a well-run store that has put a lot of measures to support the success of the Used Car Operation. DCH Kay Honda has a standing record of 185 Pre-Owned vehicles sold in one month and currently stocking between 160-180 pre-owned vehicles on the ground.

Overall objective (goal) and specific desired results:

Our goal for the month of August is to sell 200 Pre-Owned vehicles which is close to a 10% increase of the store's all-time store record. With the increase in Pre-Owned Sales, the store has an opportunity to break an all-time store net profit record as well.

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

After Week 4 in NADA- a lot of things were put into perspective that really hit home. Immediately upon my arrival back to the store, we had a manager's meeting and discussed the following.

- Any customer Appraisal or Street Purchase must be appraised like you were in the Lane bidding against other buyers. If a deal is not made because of a trade – the GSM must be notified prior to the customer's departure.
- Our Pre-Owned Manager is officially an Acquisition Manager. Sole purpose is to purchase, appraise, recon, and merchandise vehicles. He is not tasked with the daily responsibilities of Desking Deals or T/Oing customers.
- Pricing Strategy outside of the DCH/Lithia recommended guide lines and focused on Dale Pollack's saying --- 30 is the new 60.
- The Service Manager loaded up the shop with Pre-Owned work and assisted on speeding up front line time, and we put pressure on our in-house photographer to shoot a minimum of 10 cars per day.

Timeline: What is your implementation date?

3rd week of July – The dealership needed acquire approx. 20 – 40 clean Carfax vehicles preferably under 30K on the odometer.

4th week of July – we needed to have 180 pre-owned vehicles on the ground to prep for a successful August. The dealership also applied addition custom advertising on Social media to help promote CPO programs, and Honda Clearance period.

The month of August – is crunch time. Employee schedules are modified, finance schedules are modified, time off is modified.

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:
GSM / Sales Managers / F&I Managers / Sales Staff
2. What:
Our store has a vision to surpass the 200 Pre-Owned Vehicles in 1 month.
3. By When:
August 2019
4. How:
The GSM uses Lithia Dashboard Reports to keep the sales staff informed of progress, daily goals, and works very closely with the BDC manager to make sure cars are ready for the arriving customers.

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:

The meeting with the Platform Vice President and GM was extremely positive and accepted with open arms. The plan makes obtainable and it will also increase the operating profit of the Sales Department and Net Profit of the store significantly.


