

# Management Action Plan – VO1

Student Name: Travis McKim

Dealership: Craig Dunn Chevrolet Buick Gmc

Class & Student Number: N349-22

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

Our reconditioning turnaround is extremely slow. We rely on fast inventory turns as we have an aggressive pricing structure to pull customers out of a large metro center 45 minutes away from us. We need a fast turn to be profitable.

-Service manager/shop foreman do not place any importance on used cars. They are considered filler work, and are tended to when there is an opportunity. I have our service manager book appointments for used cars based on what we have incoming, but they are frequently given up to customer pay work as they feel they cant "lose the customer pay" to take in a used car.

-Service manager does not value the fact that internal labour sales are typically 1/3 of total shop labour sales.

-Frequently are turning away customers and appointments as cars are not safetied. This is especially important when we are pulling customers from approximately 1 hour drive away. They will not come out if the car is not ready to be sold, and our sales people will not have people drive out if the car is not ready (which is part of our transparent approach).

-This slow turnaround is significantly impacting our volume and ability to be profitable.

-Prior to meeting with service manager, shop foreman, parts manager, and general manager, average reconditioning was 14 days.

## Overall objective (goal) and specific desired results:

-Objective is to build a mutual understanding of the importance of used car reconditioning time.

-Have service manager/shop foreman understand that the faster we can sell a used car, the faster we can take a trade to recondition again.

-Initial goal is a 1 week (6 workin day) turnaround. This would not include any body work that is needed.

-Have our parts department be cognizant of how the delay in parts affects our ability to recondition used cars. If parts are not available next day, let's look for other parts or check shipping costs for overnight parts.

-TO create accountability through a tracking sheet that creates red warnings if a step took too long and delays the reconditioning process.

-To create an understanding on used car holding costs and how much it costs on a daily basis to have a used car sitting, waiting to be reconditioned.

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

-Meeting with key stakeholders to provide information on key metrics:

- Daily used car holding costs

- Days in stock to break even

-Reminding both departments that the used car department pays retail rates, therefore deserves the same attention to turnaround as a retail customer.

-Ensuring use of tracking sheet and department buy-in.

-Currently evaluating the feasibility of a used-car only technician. We are close to enough monthly flat rate hours to justify this. Receiving kickback from shop foreman who thinks it will cause issues with technician morale.

-The most important part of the action plan is the timing of key steps in the process.

- Initial appointment must be booked and car inspected no later than one day after the car comes into inventory.

- Service department is given an "allowance" per car, based on the appraisal, that no approval is needed from the used car manager.

- If needed reconditioning is greater than the allowance, the estimate must be prepared on the same day the vehicle was in the shop.

- Once estimate is created, approval is required by the used car manager on the same day the estimate is created.

- Once approval is granted, parts are to be ordered same day as approval and inspection. Parts department must do whatever they can to ensure parts are received next

day. If approval is granted after parts order deadline for next day delivery, this is ok. We will see them on day 3 of the process.

-Once parts are ordered, arrival date is added to the tracking sheet. From here, the service manager is responsible to ensure the vehicle gets back into the shop no later than 2 days after parts arrive to complete mechanical reconditioning.

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

-Meeting with all key stakeholders is scheduled for September 26<sup>th</sup>. We will review the tracking sheet and implement.

-The tracking sheet has a counter for the number of days the RO is open. Once they are closed, the used car manager will track average time and meet monthly to evaluate and discuss areas for improvement, and see if there are any consistent areas slowing down.

### **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: Biggest behavior change is with our service manager. There needs to be a top down change in attitude towards used cars in our shop. Service manager is getting 1 month under our new process with the tracking sheet. If no improvements are made, will meet with service manager and general manager to discuss consequences.
2. What: See above
3. By When: October 26th
4. How: See above.

### **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:

