

Management Action Plan – VO1

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Dealership: Atlanta Toyota

Class & Student Number: PAG014

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

- For the last 3 months the Used Car Department has been averaging 2.5% Total Discount percent of the total sales which equates to Total Average Discount of \$460 per copy.

$$658 \text{ deals} \times \$460 = \$302,680.00$$

Overall objective (goal) and specific desired results:

- To improve the Discount Performance of the Used Car Department at or below 1.5% of the total sales.

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

- 1) Price every unit in inventory price to market from day 1 with the exception of a “one of kind” vehicles and scarcity on the market.
- 2) Execute daily/weekly price changes based on age to generate traffic or activity through Price Change alerts from website provider.
- 3) Get salespeople to adhere to the Road to the Sale process, build value of the vehicle of interest, identify and focus on the client’s hot buttons, build rapport and sell themselves and the dealership.
- 4) Salespeople must identify the client’s wants and needs to land them on the right vehicle.
- 5) Early intervention from a Sales Manager.
- 6) Test drives before presenting any proposal is mandatory.
- 7) A Max Digital print out is mandatory when presenting the proposal to client unless the internet posted price has been increased.

- 8) On Toyota Certified Used Vehicles it is mandatory to present the client the 160 point inspection, recondition cost and the Carfax report.
- 9) All Sales Manager must print out the Market Listing from Profit Max (Market Pricing System for Pre-Owned) of the vehicle of interest every time they go take a turn for a sales person. This will help justify our pricing.
- 10) It is mandatory for all sales people to walk the trade with the client and devalue the trade.
- 11) On subprime deals, sales and finance managers need to get as much down payment from the client and/or strong co-signer to cover bank fees or when the bank cuts the deal.
- 12) Any discounts exceeds \$800 need to be approved by the Used Car Director.
- 13) Keep track of post-sale charges ie., touch-up, repairs, second keys, batteries, detail etc. are being accounted for.

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

- Implementation date: 10/01/2019.
- Need to review previous day's deals to ensure bank fees, incentives, rebates, taxes with or without trades are accurately booked.
- Monitor Discount Performance of Used Cars by Sales Manager report daily from the PAG Browser to see any out of the norm discounts.
- Monitor Stop the Drop report from Firstlook Max Digital weekly and address the top 5 sales who has the most discounts by number of sales, age of the vehicle and how it is priced to the market through One on One training sessions.
- Review Discount Performance during Monthly Operation Review with AVP.

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:

2. What:
3. By When:
4. How:

Behaviors that needed change:

- Pricing not market priced from day 1. Used Car Manager and Director need to stay consistent. GSM need to spot check daily.
- Sales people are not landing the clients on the right vehicle – no needs assessment / interview. Sales Managers need to monitor desk log and responsible for training and accountability. Daily
- Sales people are not utilizing the tools to build and hold value of the vehicle they are selling before negotiation. (Max Digital report; 160pt inspection and reconditioning; Carfax; BG Protection) - Sales Managers responsible for training and accountability. Daily
- Sales people not walking and devaluating the trades – Used Car Manager and Director - Daily
- Early TO's by Floor and Sales Managers – GSM and Used Car Director - Daily
- Sales people lot dropping - All Sales Managers is responsible for training and accountability. Daily.

Process Monitoring Activities:

- Pricing – All pre-owned vehicles need to be priced to market from day 1 by Used Car Sales Manager and Director.
- Price changes – Based on age, price changes need to be completed on a weekly basis by Used Car Sales Manager and Director. 50 vehicles per day starting Monday through Thursday.
- Firstlook Max Digital and best practices training monthly training – held by Used Car Sales Manager and Director.
- Road to the Sale training. Discuss 2 steps in detail every morning meeting – Sales Manager.
- Used Car deals monitoring for progress – Weekly by Used Car Director.
- Deal by deal consistent monitoring – Ensure that any post sale additions ie, after sale repairs, second key, batteries, gas, re-clean are accounted for by All Sales Managers

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:

Meeting held: September 09, 2019 - Manager's meeting

Location: Conference Room

- Discussed the concern about double discount and the potential of increasing our gross profit per unit.
 - Discussed how this will reduce friction in the sales process and a better understanding of our competitive pricing position and why the consumer is in our showroom or calling from out of State.
 - Discussed how these new processes will help us stay ahead of our competition and ahead of the game.
 - All Managers are on board.
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