

Management Action Plan – VO1

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Dealership: Honda of Turnersville

Class & Student Number: PAG014

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

Increasing used car volume and gross profit.

Overall objective (goal) and specific desired results:

Increasing used car volume and gross year over year.

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

Currently we are at 1,212 used retail number at a total all in gross of \$2,559,936 or \$2,112 PRU. Down 191 units YTD and down \$304,679 in gross profit for the year.

1. Acquisition of inventory: It is imperative to trade units at the door. Used car manager needs to appraise all trades with a Retail First mentality. Key metric MDS. Accurately account for reconditioning cost (mechanical and cosmetic)
 - A. Purchases: UCM need to do the homework on auction reports, used tools such as Stockwave to ensure proper buying strategies.
 - B. Buy without Emotions.
 - C. Accurately account for reconditioning, transportation and other fees.
2. Used Car Manager to bull pen trades every day and determine. Wholesale, Retail, or Certified. Communicate with shop dispatch to make sure cars are distributed to the proper tech.
3. Merchandising: Cars need to be front line ready. Presented and organized properly to “impress” buyers on the lot. Think Retail stores display.
4. Pricing: Online pricing needs to congruent with a reasonable size market. Like purchasing price without emotions. The car is not going to go up in value.

- A. Key thought Used Cars are like fruits and veggies they have a limited shelf life. Turn in so important. Faster you turn your inventory the less likely of having large losses.
- 5. NO Double Discounts: Cars are reduced from the sticker price online. More than likely your customer has done their research online and landed in your showroom because of price. HOLD TO IT. Resist the urge to take a \$1500 deal when you should make \$3000.00

If all steps are followed this will increase both units and grosses.

Units because with a Retail first mindset will lessen wholesale units and put more units in operation. *Only if reconditioning is accounted for correctly. Junk is still junk.

Gross Profit because if your display on used vehicles is great it will help customer and sales people alike find and land on their desire car. (time kills deals) With No Double Discounting, you will be able to hold the line and make the gross each unit deserves.

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

Implementation Date: 10/01/2019

1st of every month need to print inventory list and determine old age problem cars with exit strategy. 60 day turn.

Short Term checkpoints should be daily and can be seen by the number units still awaiting reconditioning vs inventory levels front line ready.

Front End Gross can be measured on the browser daily along with YoY volume.

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: Used Car Manager needs to follow guidelines set above. Coaching/training and monitoring to be done by GSM and GM. Also GSM need to be able to fill in for Used car manager using same guidelines and procedures. Sales manager for No double discounting.
2. What: Following acquisition guide, merchandising, pricing. Holding to online pricing.
3. By When: 10/01/2019 – On Going
4. How: GM will hold all managers be using various metrics found on the browser that will show if the process is being upheld.

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:

These are all beliefs my GM and I agree on. This is for my new Used Car Manager to have to give him a guideline for the expectations. In showing to Scott (UCM) it seemed to help him outline his days moving forward as to what is expected and what to do.
