

Management Action Plan – VO1

Student Name: Michael Zilverberg

Dealership: Toyota of Newport

Class & Student Number: 32

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

We need to certainly address inventory turn rate and market days supply.

Overall objective (goal) and specific desired results:

Our objective is to be more active in recognizing how we market used inventory. With a focus on pricing cars to sell as quickly as possible and keeping a close eye on price to market. And pay close attention to market days supply.

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

Currently we are turning our inventory at 9.4 times per year at 1565.00 per car front end gross. We currently have 1.3 months supply. We are at 941,348.00 total gross front end profit. If we put more focus on turn rate instead of profit we will be able to lower profit down to 1400.00 per vehicle and turn at 12 times per year that will increase our monthly units to 64 and our gross profit 1,075,200.00 that is an increase of 133,853.00 in gross profit for the year.

Timeline: What is your implementation date? Describe specific short-term and long-term checkpoints to monitor progress. We are putting this in place now. We will monitor all of these processes very closely. We will change our pricing structure to achieve this goal.

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 and Used car manager.
2. What: They have a full understanding of pricing structure
3. By When: This has been put in place now.
4. How: I had a meeting with both Managers and we have an understanding that all vehicles will be discussed before pricing. Using VAuto as a tool to help.

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:

