

Management Action Plan – VO1

Student Name: Dedric Jones

Dealership: Champion Ford Lincoln

Class & Student Number: Nada 350-02

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

Our current situation is our \$619,810 in frozen capital in aged and dead inventory that is difficult to move and aging quickly.

Overall objective (goal) and specific desired results:

At the end of our 60 days, when most of our frozen capital is eliminated, we will be able to make better investment purchases on used inventory and keep vehicle aging to a minimum. Our short term goal is keeping inventory age under 100 days old. Our long term goal for the dealership would be to keeping the age of inventory under 60 days old.

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

We plan to do this by continuing to price our vehicles on the internet aggressively. We started this strategy at the beginning of our 60-day timeline, and it seems to be paying off. Customers have stated that our vehicles were the best priced in our area. Another way we are eliminating this issue is by continuing to put bonus lists and spiffs on the dead inventory to motivate our salesmen.

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

The date we implemented this action plan was September 25, and after the first 30 days of our 60-day timeline, we are attacking the inventory aggressively. We have eliminated \$232,452 in aged inventory and frozen capital; at our current pace we will have all but \$154,906 eliminated at the end of 60 days. Once we have this matter under control, we will be able to stay focused on the inventory so we can make more positive and beneficial investments.

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: Salesmen, and manager's
2. What: We need to create a sense of urgency when it comes to moving inventory, especially ones that are getting old and moving from old to dead.
3. By When: 60 days
4. How: Salesmen need to stop walking around aged inventory, and managers need to pay more attention to inventory age and appraisal process. As well as our recon process and the time it is taking to get our vehicles reconditioned.

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:
