

Management Action Plan – VO1

Specific – Measurable – Achievable – Relevant – Timely

Student Name: Patrick Chahwan

Dealership: Brookline Audi

Class & Student Number: N350-5

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

The store is under construction. The inventory is spread-out in 3 lots in the city. With traffic it could take over one hour to get to the lot and back. It is difficult to accommodate walk-in traffic. It is also extremely difficult to get the cars through the shop due to the fact that we went down from 22 bays to 11 due to construction. We are selling premium luxury out of a trailer.

Overall objective (goal) and specific desired results:

The goal is to focus on maximizing turn, profit ability, recon/diagnostic time in a city store with extremely limited space availability.

How many and what cars do we keep to help lead to a faster turn with the very few spaces we have available.

How to get the cars through the recon process in an efficient manner to help increase the turn.

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

The light at the end of the tunnel is that we are approaching the last phase of the construction. We are 2 months away from the grand opening of a brand new facility.

We will gain back the main lot where we could park 110 vehicles (on the premises). This will allow us to have the entire pre-owned inventory available within walking distance from the showroom (in one location).

The shop is opening up and will be back to full capacity 22 bays within 15 days.

We are in the process of hiring technicians and we dedicated a team of three techs that will mainly focus on internal work.

We implemented a reverse recon process for body shops (will send cars to get painted first if the shop is busy)

We figured that at the current time we can stock 75 pre-owned cars between the available lots and have 15 cars in the pipeline.

We created a bonus for the internal tech team: receive \$1000 if on the last day of the month there is less than 10 open internal RO's

Got rid of aging loaner cars in inventory and started stocking fast turning cars in loaner fleet (started 6 month ago) we also cut the loaner fleet from 75 to 50.

Set an aggressive pricing strategy following buckets (strict 60 day turn)

Only stocking fast turning cars and really paying attention to the market day supply. Have an exit strategy.

We hired a picture person and made it his sole purpose to chase the cars and get them online as soon as possible (store was at 30 days to full pictures 60 days ago. Now were at 9days).

Have a weekly meeting (Tuesday at 1PM) with used car manager internal writer and service manager to discuss open RO's.

Inventory turn 60 days ago was at 6times /year. The new goal is 11 turns /year.

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

The timeline is before the grand opening (60 days away). With the new lot the store will be able to stock over 100 cars and would like to sell 90 pre-owned /month keeping the 11 turns/year.

If this can be done under the current conditions then we can observe an increase in used car volume sales (currently selling 45 used on average).

The way to monitor is through a 5 day price change policy and a 60 day hard turn policy (must be wholesaled).

Daily used car walks with the Pre-owned manager and daily monitoring of the flow of cars through the recon process (shared google DOC updated by internal writer and used car manager).

During Variable 1 week we had 53 cars with open RO's out of the 75 vehicles in stock, this number has drastically dropped to day 12 (new service manager, processes and internal tech team).

Long term goal is to maintain the quick turn and recon process and increasing the volume of cars sold out of the store to 90 units per month.

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, Picture Person, Internal Service advisor, Technicians
2. **What:** Have an understanding of what is expected and what to do. Incorporate the turn in pay plans (already done). 60 day turn with 75 cars frontline ready at all times.
3. **By When:** Immediately and will increase to 100 units in stock by 2020.
4. **How:** Follow through on the constant monitoring of the new processes and expectation and creating a culture of what the continuous push (rewards if metrics are met).

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:

I am the General Sales Manager and these actions are part of my responsibility.

Signed by: **Patrick Chahwan**
