

# **Management Action Plan – VO1**

**Specific – Measurable – Achievable – Relevant – Timely**

Student Name: George Grinzewitsch

Dealership: Mercedes Benz of Sacramento/ El Dorado Hills/ Rocklin

Class & Student Number: N349-N350

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

A current challenge is turn rate and reconditioning time to get vehicles front line ready.

## **Overall objective (goal) and specific desired results:**

The goal is to shorten turn rate and get reconditioning time to 72 hours.

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

The plan is to implement new reconditioning processes and potentially add technicians to our recon team. Also, price our vehicles more aggressively or closer to market value. This will be measured by closely tracking every car that goes through our reconditioning process and monitoring that it stays under the 72 hour threshold. Before this was implemented the reconditioning time till front line ready was just under 5 days. With this reconditioning time it is nearly impossible to get to a 35 day turn rate. To get to the 72 hour threshold it's important to increase the man power, wholesale out of cars that need substantial work, and extend

recon hours. To improve turn rate after 2 weeks we need to be priced as aggressively as any similar vehicle in the market, as Dale Pollik stated in his presentation.

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

The implementation date was October 1, 2019. A short term checkpoint is to measure time till front line ready time twice a week. Our goal is to be at 72 hours by the end of November. A long term checkpoint is to look at our used vehicle turn rate biweekly.

### **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: Reconditioning manager, reconditioning team, used car manager, GM
2. What: Decreasing turn rate, reconditioning time
3. By When: end of November
4. How: Extend reconditioning hours/ increase size of recon team/ Adjust reconditioning schedules. Pricing vehicles closer to market value, wholesaling out of "bad buys."

### **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:

It was positive and a surprise to our dealer principle. For the longest time a 60 day turn rate was looked at as optimal, but after explaining the importance of a shorter turn rate and the financial benefit that comes with it he is open to making the necessary changes to move us closer to the shorter turn rate. Our dealer principle always wanted us to be at a 72 hour front line ready reconditioning time, and is disappointed that we have gotten close to a 5 day recon time. He is willing to make the necessary changes in process and personnel to get back to a 3 day recon time. All in all the meeting was very positive.

Signed by: N/A

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