

Departmental Action Plan Template

Student Name: Thomas Mihok

Class & Student Number: N351

Academy Week (Var II): 11/12-11/16/19

Current situation or challenge you want to address:

(must be quantifiable) F&I PRU on new is off by only a few hundred dollars. This may seem like a small item, but we haven't been able to grow the number to help offset the shrinking front end margins.

Overall Objective and Specific Desired Results:

Increase new F&I PRU to \$1450 from \$1130 (\$320 increase) by modifying the menu and instituting mandatory F&I interviews ***and*** appraisal walks.

Describe your action plan in detail (be specific and include before and after Measurements)

1- I will be re-evaluating the menu options by purchase type.

One of the products we offer is “Audi Care” prepaid maintenance. This is a very popular product for \$999.00, BUT it only has a \$100 profit. Furthermore, customers have up to 2 years to purchase this through the service dept. I will be removing this product immediately from all menus because we are losing \$1K of spending power when customers buy this. It’s a waste of time for \$100 profit in the F&I office and should be sold in the service drive. I’d imagine taking this off the menu should show immediate change with other products sold.

I’d also like to focus on “Lease Wear and Tear” which we do not sell much of. I’m going to have the Sales Manager start desking all lease with it and conduct training with the sales team to overcome objections. This is a valuable product for customers who are apprehensive about leasing.

2- Leave a brand-new car in the factory wrapping out front of the showroom building. → Why? →

Audi spends an exorbitant amount of money wrapping the entire vehicle in a one time use protective covering. What better way to build value of paint protection than by showing clients exactly how their car was shipped from the factory? This is truly creating value when a salesperson can incorporate this into their post test drive presentation.

I will also immediately give \$100 spiffs to sales people who pre-sell the paint protection before delivery. Between the spiff and having a real car fresh off the truck in its wrap I anticipate we can grow the paint protection penetration to over 50% on cash deals and finance, and a marginal increase on leases.

3- F&I interview at the desk. This is often talked about but probably not done 100% of the time at every dealership because we tend to “rush” the delivery process when we are busy. However, a soft “TO” to the Finance Manager at the sales desk makes it less awkward when they go into the office to sign and builds more rapport. This interview should consist of verifying customer information for registration, finance expectations, and a discussion about driving habits with regard to how many miles per year, is the car garaged, how long do you plan on keeping the car, and so on.

4- F&I Manager does quick appraisal “recap” walk with client before going into finance office. This will be hard to get buy in at first, BUT I think it could be an effective sales tool. The word tracks would be something along the lines of “Before we go over all your purchase paperwork, I’d like to take a minute to walk around your trade in with you. Can you show me any areas you felt were hard to take care of or easily damaged on your current car? My job is to make sure you are offered a range of coverage options to protect your investment beyond anything Audi may not cover under traditional warranty”

This is where you can see damaged wheels/tires, dents, paint scratches, dirty interior, and more. Now the F&I manager can truly present a menu with the most important products that are relevant to that customers vehicle condition.

Between theses four steps I believe we can achieve our goal of \$1450 PRU within 2-3 months. This is not a major bump, because I want an achievable objective and we have a large amount of CASH (no reserve) and LEASE (payment driven, no commitment to car) deals that go through the store. By removing \$1K of products off the menu, conducting interviews/appraisal walks, and

showcasing a factory wrapped car, I believe we will increase our paint protection and tire/wheel penetration the most.

- I have re-subscribed all managers to a daily Stone Eagle report that will automatically go into their inbox's each morning.
- We will go over sales training on Mondays only, Saturday meetings will be "pump up" meetings
- We conduct a Manager Meeting every Monday currently, and I will be adding F&I stats to that report. That way we can recap the previous weeks stats and are constantly monitoring it.
- I will be the person most accountable as I need to hold the Finance Manager to my expectations of not taking shortcuts and buying into this plan. At the time of typing this I have also scheduled a one on one with him to go over this.

Timeline:

Describe specific short term and long-term checkpoints to monitor progress

There aren't any specific "checkpoints" that need to be setup because we already have multiple reports that monitor this. Stone Eagle sends a daily F&I log, and we also have monthly meetings with our product provider. I also review every deal recap and get a nightly Money Sheet.

The way to make this work is by sticking to a process and not taking shortcuts.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences (PINO, Gain, Pain). Include timelines / Accountability / Monitoring process

- a. **Who:** Finance Manager and entire Sales Team
- b. **What:** Stop rushing the delivery process and try to maximize EVERY deal
- c. **By When:** Feb 1, 2020
- d. **How:** Tweaking the menus from scratch for all deal types, interviewing at desk, spiffs, appraisal walks also at delivery, and better tangible display items.

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:
