

Departmental Action Plan

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Class & Student Number: N351

Academy Week (Var II): Week 5

Current situation or challenge you want to address:

Our internet closing ratio is an ongoing challenge. We are currently at 8.51% for the year regarding new and used vehicle sales. We would like to achieve a minimum closing ratio of 10% moving in to 2020. The impact this will have on new and used vehicle sales is noticeable and attainable. Our internet sales account for 48% of all vehicles sold this year, totaling 655 units to date. If half of our customers are online shoppers, it's time to deliver more on the message we are giving them on the website and truly provide an experience worth sharing.

Overall Objective: Attain a minimum 10% closing ratio on all internet leads.

New vehicle sales had 4,213 "good" leads to date. We converted 314 equating to a 7.45% closing ratio. At 10% we would have sold 421 units, a difference of 107 more new vehicles sold for the year. Our average NPVR is $\$2,664 \times 107 \text{ units} = \$285,048.00$. Another $\$220$ a car for floorplan assistance and $\$425$ per car in net additions. Totaling another $\$69,015$. A grand total of $\$354,063.00$ gross profit annually.

Used vehicle sales had 3,486 "good" leads to date. We converted 340 equating to a 9.75% closing ratio. At 10% we would have sold 384 units, a difference of 44 more used vehicles sold for the year. Our avg UPVR is $\$1,544 \times 44 \text{ units} = \$67,936$. Another $\$1,124$ in net additions below the line money $\$49,456$. Our average reconditioning per retail-able unit is $\$699$ with a 52% gross profit for service, equating to $\$363 \times 44 \text{ units} = \$15,993$. A grand total of $\$133,385.00$ gross profit annually.

If we can achieve this goal in 2020 this would add **151 total units and adding \$487,448 to our total gross**, (not including any additional RMB we would qualify for.)

Describe your action plan in detail: Our Internet lead process is the most important tool to relay a consistent message to our online shoppers. This starts when we receive the lead and is tailored to the lead source to provide personalized messaging.

- A. A 5-minute response time is our goal to reach the customer first in a competitive market like Orlando.
 - This needs to be the highest priority for the internet department, the sales floor and should be monitored by the managers daily to achieve this goal.

- B. Sending out an e-mail, phone call, text and walk-around video is vital to our success in reaching the customer first and relaying the message that we are here to do business their way.
 - First email within 5 minutes should answer any question in the lead and express the benefits of doing business with Sport Subaru South.
 - Phone call to convey our reception of their inquiry, or leave a message going over the email that we sent and letting them know a text and video will follow.
 - Text message opt-in message, followed by personable and concise message. Texting is powerful and is turning into the primary means of communication for many online shoppers. Our messaging should acknowledge their time is valuable and that we are sending a video to their phone on the vehicle of interest.

- C. Follow up, we are changing our follow up process to 88 days knowing it takes 60+ day's for online shoppers to show in the dealership.
 - This 88-day process includes 12 phone calls and 16 emails sent from salesperson assigned to the lead over the deration of 88 day's

- D. Conveying the benefits of purchasing with us. This helps improve appointment set rate and appointment show rates. We have a story to tell about our store that helps build rapport with customers more than just a low price as the reason for a customer to visit our store.
 - Free Lifetime warranty on all new and qualifying preowned vehicles
 - No Dealer Fee on New Vehicles purchased or Leased
 - \$5000 Test-Drive Give Away Event. At the end of each month we give away \$5000 for coming in for a test drive. This is our first month marketing this campaign, however it's creating an enticing reason to visit the store.
 - Family Owned and Operated – We're local, we support schools and community events, etc.

- E. Training Internet Managers to give the customer what they are asking for in our first contact attempts. Personalized follow up acknowledging lead source and any questions and concerns. We must send a quote in our first quality response.

Timeline:

2020

Q1- Audit Internet Sales Processes and Implement Changes

- Update Internet Processes and Templates
- Training of Consistent Branding Messaging
- Personnel Changes as Needed
- Compensation Plan Adjustments

Q2 - Monitor and Report

- Lead Source Performance
 - Review Analytics
- Internet Agent Performance
 - Secret Shop our store from various lead sources
- Review phone calls for accurate messaging and tact
- Ensure new process is being followed

Q3 - Monitor and Report

- Lead Source Performance
 - Review Analytics
- Internet Agent Performance
 - Secret Shop our store from various lead sources
- Review phone calls for accurate messaging and tact
- Ensure new process is being followed

Q4 - Monitor and Report

- Lead Source Performance
 - Review Analytics
 - Contract Adjustments 30 days prior to Q1
- Internet Agent Performance
 - Secret Shop our store from various lead sources
- Review phone calls for accurate messaging and tact
- Ensure new process is being followed
- Swim in Money Bin full of additional revenue from these changes.

Meeting with Stakeholders (dealership personnel)

Growing our online success requires an understanding and cooperation from all levels. Sales team leaders Arthur and Nino, desk managers Charles and Edwin, and their respective teams need a full understanding of our vision and direction we're going in.

Ongoing training from Victor Ortiz, our Internet Director, will also be pivotal in this initiative. Concurrently, we can bring back our Subaru trainer, Jennifer Suzuki, for ongoing phone training. Support and direction from the Desk Managers, Edwin and Charles, will also play an important role in communicating our customers feel they are getting a great purchase offer.

With the expertise of our Owner, Jay Mealey, we will create compensation plans for our staff enforcing a desire to attain our efforts and vision; attaining and exceeding customer expectations from us and raising the bar to set a new standard for all industry retailers.

Last year our store was at a meager 4.2% conversion ratio on all internet leads, only closing 303 leads of the 7137 opportunities we received. Moving in the right direction, we've been able achieve an increase of 4.31%, year over year. We still have improvements to make. The team efforts set before you are essential to our growth in a forever-changing marketplace. People and process is the key to success!

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:
