

Management Action Plan – VO1

Specific – Measurable – Achievable – Relevant – Timely

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Dealership: Lia Toyota of Colonie

Class & Student Number: 354-06

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

With declining retail trades, we are often looking to auction, and Enterprise for purchases to increase our inventory/replenish inventory. However, we have seen a major aging issue on a lot of these units.

Overall objective (goal) and specific desired results:

We would like to be able to increase retail trades, and also if needed to purchase from Enterprise or the auction, be able to turn quicker and make profit sooner.

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

Our plan is 2-fold.

First, we are going to use the new vAuto system, that will grade the vehicles at appraisal, and at time of pricing. This is the only way I am going to allow the Used Car Manager to purchase from Enterprise. If we need to price the unit with \$300 profit only at day 1, it is a lot better than making nothing or a loss at day 60. It will also allow us to get financing in house

and the ability to sell product as well. By doing this, we will increase turn, help with GROI, keep below the breakeven day, and decrease floorplan expense on the unit. We have also setup a report in vAuto showing the worst investments and will visit those each week and adjust as needed. Our plan is that by instituting this process above, there will be few, if any of these in the near future.

Second, we are going to keep more value select trades. Cheaper vehicles with higher mileage. We found out that our wholesale to retail ratio was very high. We are sending potential retail units to the auction. This will help with increasing inventory and targeting a different market.

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

Our timeline is immediate. We will monitor on a weekly basis.

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: GM, UCM, Svc Mgr
2. What: Implementing processes as described above
3. By When: 2/1/2020
4. How: Manager meetings each Monday to implement and review progress.