Management Action Plan – VO1

Specific – **M**easurable – **A**chievable – **R**elevant – **T**imely

Student Name: Philip Burrage

Dealership: Larry Jay Mitsubishi

Class & Student Number: 354 – Unknown student #

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

Reduce used car turn rate from 87 days to 30 days

Overall objective (goal) and specific desired results:

Increase overall profitability for the company by turning used car inventory faster. This helps with multiple departments of the store. It helps profit in used car department but also service and parts because if they are turning inventory faster, they have more units to work on, thus more dollars billed.

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

Our first step will be to implement daily usage of V Auto for our inventory management system. We will update our prices on every used car daily to stay in the top 3 in our area. We will also implement a 90-day hard turn, which means as soon as a vehicle hits 90 days on our lot we will send it to the auction (no exceptions). In service, we will give them 3 days to get all used cars through the shop and on the lot. Anything after 3 days, their labor rate will be cut in half. This will motivate the service department to get to our units as quickly as possible. Our Desk Mangers will be instructed to sell based off the daily market value and daily days in inventory when structuring deals for the customer.

Currently there are no measurements in place to monitor this process which is probably why we have such a low turn rate. Starting in the near future, we will hire a new position to only watch the market in our area and price cars accordingly and have them provide a report for the General Manger to review of where we are in comparison to the rest of the area. Our used car manager will send cars every Thursday that have hit 90 days that week and will send a report to the General Manager to include which cars were sent and anything pending inventory over 75 days to flag the sales manager of any cars in danger of going to auction in the near future. We will implement Rapid Recon System

to indicate where each used car is in the process of getting through the service department, including tracking where our biggest breakdown in time management is.

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

We will implement immediately and plan to have V Auto in place by end of January. We will have weekly meetings with the new employee overseeing pricing and overall inventory management. Service will implement and use Rapid Recon by end of March. The General Manager will track each department through daily and weekly reports.

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 and Service Manager
2. What: Just the change from doing things the way it has always been done
3. By When: March 31st, 2020 (By then all systems should be in place)
4. How: Doing everything discussed in the previous explanation of implementation

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: N/A

Signed by:
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