

# Departmental Action Plan Template

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Class & Student Number: 352-05

Academy Week (Var II): NEW CAR

Current situation or challenge you want to address: (must be quantifiable)

I want to raise my FI profit. We are currently sitting at about \$2000 a copy in finance, which is good but I think we could be better. Which in turn, means more gross and more money on everyone's paycheck.

Overall Objective and **Specific** Desired Results:

My overall objective is to raise our FI profit \$100 a copy by March 1, 2020. We are sitting currently at an average of about \$2,050 a copy in FI. One of my FI managers is running about \$2600 a copy and the other is running about \$1700 a copy.

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

My plan is to give my FI managers more weapons in their arsenal. We only have a handful of products that we are selling in our FI office at the moment. We are currently in the process of getting a 3<sup>rd</sup> party gps system that we can attach to all of our cars. This device will allow the customer to actively track their vehicle as well as see vehicle info such as miles, fuel level, and battery life. The device also comes with theft recovery of your vehicle within 30 days or you are entitled to a cash payment. This gps system also benefits our service department.

Through this gps device were able to send customers service updates and messages right to their cell phone and they can contact us through the app as well. We plan to purchase each device for around \$60 cost and sell to the customer for around \$499. Giving my FI managers another product that they are able to market to our customers is huge. It gives them more chance to sell and more chances to turn that “no” into a “yes”. We are also incentivizing the sales associates with the gps system as well. They get the customer to agree to purchase the gps before the customer even gets to the FI office, then we are paying the sales associate \$50 for every one that they sell. Managers are also invested in this new product because with putting these devices on every vehicle on our lot, we raised our soft pack on our vehicles as well so in turn at the end of the month it means more gross profit to the bottom line. Our managers are paid a % of the gross profit for the sales dept so the more gps devices that we sell the more gross will get added back to the bottom line at the end of the month. Our biggest challenge in this process is going to be loading the lips of our sales associates to sell this product. If they just market this product as just like any other gps on the market then all our work will have been for nothing. Getting them to hype up the product to our customer and explain all of the possible benefits is going to be a tough challenge but I think once we cross that hurdle then the gps will be nothing but a money maker for us.

## **Timeline:**

Describe specific short term and long term checkpoints to monitor progress

The timeline on this product efficiency could push past the March 1, 2020 goal. We are setting up for the install of this product to take place the second week of February 2020. The reason for the second week is I will be a huge part in getting these devices installed and I get back from graduation week at the academy that week. So, we are planning to have them all installed by the end of the second week of February. I will be monitoring this product very closely. We will check daily how they are selling and if we are getting any traction with the devices. The nice thing about them is that at the end of every day I will be sent a report on effectiveness and use on the products. This will allow us to monitor how many we are selling compared to how many cars we are selling. We set the standard for our sales team at 40% penetration for the product to start out. I will monitor penetration on the daily for the first couple of months while we are still trying to get used to the process. And I will also meet with the dealer principal weekly to discuss how the product is moving in FI and how many we are selling.

## 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: This is going to take the work of the entire sales department. Everyone that is involved in selling a car will be involved with this product.
- b. What: We have trainers from this third-party company coming out as well to teach our sales staff how to market the product the right way to a customer. Along with my continuing monitoring of the effectiveness of the product.
- c. By When: I would like this product to help our F&I number by \$100 a copy by March 1, 2020. I know this is not a lot of movement in profit but I think that the first few weeks of having this product is going to be more getting to know everything the product can do. So I believe the first few weeks of the product that we will be around 20-30% penetration and if this holds true I think raising \$100 a copy is doable.
- d. How: The complete training of the sales staff as well as sales managers and FI managers. Continued monitoring of the sales effectiveness and training on the product.

### 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:



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