



SMART Goal Homework

Homework is due the Monday of the week before you return

Student Name: Brian Fox

Academy Class #: Class 354

I plan to accomplish the following objective by: January 1, 2021

Composite Data Reference: Depart: Personnel **Page:** _____ **Column:** _____ **Line:** _____

SMART GOAL

Specific: *What exactly will you accomplish?*

My goal is to reduce employee turnover from 81.7% (as a group) to 50% at Barnes Crossing Hyundai Mazda during the year 2020.

Measurable: *How will you know when you have reached this goal?*

I will take measurements of retention and turnover every 3 months during the year in order to evaluate the effectiveness of our methods. Measurements will take place of the previous three months on April 1, July 1, October 1, and January 1, 2021.

Achievable: *Is achieving this goal realistic with effort and commitment? Do you have the proper resources to accomplish you goal? If not, how will you get them?*

This goal is certainly realistic as long as we create an employee-centered plan and everyone works hard to recreate the dealership culture in light of our new vision. I will take many of the resources and ideas I gathered from this class and my classmates to accomplish this goal. I feel that I have enough resources, but during the process, if I find that I need more help I will reach out to my classmates and/or professors from NADA.

Relevant: *Why is this goal significant?*

Reducing turnover and increasing retention is important because there is a great cost associated with turning over an employee and it takes time for an employee to reach maximum productivity. The higher rate of turnover we have the more damage we cause to our gross profit. If turnover goes down, we should see our short and long-term retention increase, which has been shown according to NADA/Delta Trends analytics to drive gross profit significantly.

Timely: *When will you achieve this goal?*

I will take measurements of retention and turnover every 3 months during the year in order to evaluate the effectiveness of our methods. Measurements will take place of the previous three months on April 1, July 1, October 1, and January 1, 2021. By January 1, 2021 the goal is to see the total 1-year employee retention at 50% or higher.

This goal is important because:

This goal is important because if we can improve our retention we will minimize our loss of profit due to turnover and the many expenses of hiring new employees, including; recruiting, interviewing, hiring, orientation, training, compensation and benefits while training, lost productivity, customer dissatisfaction, reduced or lost business, lost expertise, temporary workers, etc. Spending time, money, and effort to improve retention means that we will focus on how we can better serve our employees and help them feel motivated, purposeful, and satisfied with their jobs and lives.

The benefits of achieving this goal will be:

Currently, the average monthly gross a Barnes Crossing employee produces for the company is around \$9,408 (\$912,569 avg. monthly total gross / 97 dealership personnel). Increase in turnover has shown to be correlated with reduction in gross profit, so, by reducing turnover by 30%, we have the potential to earn back an additional \$2,478.93 monthly gross per employee that we are losing ($\$9,407.93 / .925$ [inverse of the 7.5% reduction in gross with every 10% of increased turnover] = $\$10,170.7 / .925 = \$10,995.35 / .925 = \$11,886.86$). This allows for an additional \$240,456.21 in total monthly gross. This is due to not absorbing the costs associated with hiring new employees, the loss of productivity inherent in vacant positions, and having employees with enough time and experience to build relationships with customers and improve at their job. If 1-year retention increases over the previous year, we may be on track to retain more employees of 2 and 3+ years. Higher retention means we have more experienced and more likely proficient workers at a time, leading to higher customer satisfaction. These factors translate into a higher gross profit per employee.

Take Action!

Potential Obstacles

Current dealership culture
clearly and often

Potential Solutions

Explain/Model relevant values

Inadequate internal tracking of turnover measurements

Begin taking most helpful

Little employee feedback regularly

Begin asking for feedback openly and

Who do you need to get involved to accomplish this goal:

Lisa Bennett of Human Resources primarily, for help tracking relevant employee information. I should share and possibly collaborate with Joe, Josh, Andrew, and Jake on career paths for each position in the dealership that motivate workers and maximize profitability for the dealership.

Specific Action Steps: *What steps need to be taken to get you to your goal?*

What?

Expected Completion

Completed

Begin collecting more in-depth turnover data (why they left) _____ June 1, 2020

Identify opportunities to create career paths (tied with pay) _____ June 1, 2020

Create career paths with pay for each position _____ July 1, 2020

Identify other opportunities to improve employee experience _____ June 1, 2020

Work to improve culture of employee-focused environment _____ On-going