

Departmental Action Plan Template

Student Name: Patrick Daly

Class & Student Number: N353 #12

Academy Week (Var II): Week 5 New Car Week

Current situation or challenge you want to address: (must be quantifiable) Reduce Floorplan/Inventory Carrying cost. In 2019 we spent \$608,109/\$50,675 Per month in Floorplan charges by carrying 350 cars in stock. Cut down on the amount of New Cars aged over 120 Days, starting with 32.2% of inventory over 120 Days.

Overall Objective and Specific Desired Results: I would like to reduce our monthly cost to \$35,000/month, to do that I will need to reduce our inventory by 100 units, but will save \$188,109/per year

Describe your action plan in detail (be specific and include before and after **Measurements**) Sell off remaining 2019's with Brokers, Sell off and focus on aged units over 120 days old. Put in showroom and focus on selection on these units. Eliminate all remaining 2019's we started January with 54 and now as of 2/20/2020 we have 10 left. I came out with a spiff program for selling the 2019's if we sell them all by certain timeline. Focus on selling off or taking short deals on the model lines we are over stocked on.

Timeline:

Describe specific short term and long term checkpoints to monitor progress

We have already been on our way... Starting in January

January we have tuned our inventory down to 235 units in-stock with floorplan carrying charges of \$34,676

February my goal is to be down to 200 units in stock with floorplan charges of \$30,000.

March 1st we are on pace to hit our goal and will have a blank canvass to control our aging on new car inventory by using the excel spreadsheets from class to track our quickest turning Inventory and order more like units. We will develop certain checks and balances to make sure new cars do not age out past 120 days in stock going forward. This has been a great exercise.

PROGRESS REPORT: (FROM STATEMENT)

NOVEMBER 2019 \$10,877,633/436 UNITS IN STOCK

DECEMBER 2019 \$10,110,122/297 UNITS IN STOCK

JANUARY 2020 \$7,269,526/235 UNITS IN STOCK

FEBRUARY 2020*(2/20/2020) \$6,860,282/191 UNITS IN STOCK

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: New Car Managers, New Car Sales Team
- b. What: Focus on Inventory
- c. By When: March 1st
- d. How: Retailing/Selling Off 2 to 1 that we get in

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: My Sponsor loves cutting expense while maintaining our growth and volume, he is thrilled.

