

Departmental Action Plan Template

Student Name: **Jason Herndon**

Class & Student Number: **N353 - 20**

Academy Week (Var II):

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

Challenge - Lower New Vehicle day supply

Overall Objective and **Specific** Desired Results:

To lower our New Vehicle day supply from 65 to 45, lowering expense at the dealership.

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

We're dialing in some metrics and processes to lower our New Vehicle day supply from 65 to 45 days. This will help us to lower our floor plan expense, create additional room on the lot and will reduce the amount of lot damage.

Timeline:

Describe specific short term and long term checkpoints to monitor progress

We've been tracking our locates for months, we've begun to track our factory orders as well. We've started a log with a day supply by month,

by model to help to identify when we need to be heavier or lighter in stocking a similar model and with what equipment in each model. We've begun this last allocation and will continue to preference our NV allocation to include these faster-moving models and will turn down slower moving vehicles. Also, we've begun incentivizing our 90+ day new vehicle inventory, (with an idea from fixed ops 1 - sorry Mike and Matt, this was a good idea) calling them the "filthy five", working oldest to youngest and are including them in our morning sales meeting agenda (yes, since week 5 I'm using an agenda 5 days/week in our meeting - it helps!). We're spiffing the guys 1 additional weekday off per vehicle sold, the top dog for the month with 3 total minimum to qualify gets dinner with a +1 with my wife and I, paid for by the decrease in floorplan expense. 1 additional couple comes to this dinner, the manager who writes the most deals of the "filthy five" gets to join with a +1 as well.

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:
- b. What:
- c. By When:
- d. How:

The behavior change is primarily a function of the NV Manager/GSM/GM, however the salespeople who contribute for the sake of additional time off/dinner out will have to break out of their occasional “order taker” sickness to be able to potentially switch customers from the exact vehicle they’re looking for to something that *we’re* more motivated to sell.

GM/GSM/NVM are all involved in the information gathering relative to the day supply by model by month, GM and GSM do the preferencing together each month and it’s the focus of the desking and t/o managers to be able to identify a situation where we can potentially switch someone to an older inventory piece. Our oldest models are in the showroom, we have 6 spots around the perimeter of the showroom where we’ve displayed the future showroom inventory. Monday/Wednesday/Friday we select a different “filthy five” vehicle and have a volunteer salesperson do a walk-around on the car, ensuring we’re gassed/cleaned/ready to show.

I’m estimating a 120-day timeline, with <120 vehicles on the ground.

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
