

HOMEWORK – ACTION PLAN

Name Anthony Carbone Date 6/30/20

Dealership: McGovern Buick GMC/Autobahn USA

- S **Specific**
 M **Measurable**
 A **Achievable**
 R **Relevant**
 T **Time-bound**

What is your current situation and challenge you will address?

The current pay structure for the sales staff is out of line with individually forecasted levels mostly due to the relative lack of current sales staff and quick return to pre-covid levels. The sales staff OTE is much higher than it should be, sales staff is aware, but we have yet to address due to fears of losing good staff as a result.

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

Example: *"I will decrease my 5K run time from 30 minutes to 21 minutes by June 15."*

Our goal will be to reduce the average sales professional pay from the post covid pay of ~ \$14000 per month to \$10k, which is slightly higher than pre-covid estimates of \$7000 per month. I would like to accomplish this pay plan switch and be in place for August 1, 2020.

- How does this goal align with or support your dealer's vision?
- What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?
- Why is this goal important to you?

This goal aligns with the dealer's vision of having only top notch, qualified, and highly skilled sales consultants forming real, lasting relationships with our guests. These individuals should be higher paid than an average salesperson, but not completely out of the scope of normalcy. The benefit short term will be lowering the overall personnel cost and commission rate PVR. The long term benefit will be the long-term retention of the premier sales staff, a higher quality customer service experience, fewer individuals to manage, ease of process maintenance. Furthermore, sales managers who currently feel slighted due to sales staff income levels will feel more fulfilled at their current income level which remains in line with forecast. The consequences of a failure in realizing this goal will be sales staff income complacency, sales manager envy, and spiraling personnel cost.

HOMEWORK – ACTION PLAN

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/ STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
Identifying minimum conditions for employment	CRM Closing % data and YTD management reports	Lead Sales Manager	Concrete sales minimums given the new staffing levels	7/8 - start 7/11 - draft figures complete.
Testing formulas and percentages relative to historical data	Average front and back grosses YTD and historical sales	Lead Sales Manager	3 options for pay structures provided to GM by End Date	7/12 start 7/15 check in 7/18 completion
Discussion with sales staff regarding impending action	Historical commissions and pay relative to new staffing level	GM	Understanding from sales staff on the why/how/when	7/20 - GM discussion
Finalizing pay plan	prior completed formulas	Lead Sales Managers	Applying the agreed upon numbers to other payplan context	7/20 start 7/23 check in 7/25 completion for GM review
Roll out to Sales	None	GM	employees to sign amended pay plan effective 8/1	7/28
implementation	none	GM	Begin new pay structure	8/1

HOMWORK – ACTION PLAN

How will you track your progress? What specific metric(s) will you track? At what intervals will you check on the progress?

Progress will be tracked through frequent check-ins with responsible parties. Trackable metrics will be discovered through spreadsheets using historical sales and opportunity information. Using the intervals outlined above, the check-ins will be short and concise, but leave room for further discussion as necessary.

Potential Obstacles?

1. push back from sales regarding a pay cut
2. push back from ownership regarding keeping staff small
3. difficulty in scaling operations with limited staff

Potential Solutions?

1. demonstrate the long and short term benefit to lowering their commission rate, but also keeping staff small.
2. demonstrate the financial and managerial benefit to a small staff
3. with an OTE figure much higher than industry average, recruiting efforts for top talent should be easier.

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?

In addition to the personnel cost impact in terms of benefits, we anticipate a savings of about 3% of total retail sale gross. With an average monthly gross of \$450,000. That 3% equates to a total of 13,500 plus benefits, payroll tax, and UI savings.

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Once you've accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

The plan itself is its own best protection against fall back. To maintain current payscale, sales consultants will be forced to sell better and maintain impeccable CSI. Given the abundance of opportunities that each consultant will have relative to previous norms, Sales Managers will have to heavily monitor the CRM and ensure tactical precision in adherence to standards and processes.

Describe any planning or implementation meetings conducted as part of development of your plan.

Initial meetings on 7/6 will provide entire outline of plan and schedule. The context of the change will be provided. Any and all consultant facing meetings will be held by the GM as well as the implementation meetings.

Sponsor Signature: _____