

Management Action Plan – VO1

Specific – Measurable – Achievable – Relevant – Timely

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Dealership: Subaru of Nanaimo

Class & Student Number: N358

Current situation or challenge you want to address (narrow your focus):

- Lack Of Inventory “ New vehicle sales is down , less trades coming in “
- Decrease in profitability

Overall objective (goal) and specific desired results:

- Increase Sales Volume to 30 units per months
 - A) Increasing Inventory from 20 units to 40 units
 - B) Maintain 12 + turns
- Increase GP after Covid to \$2000 Average per units

Describe your action plan in detail (including before and after measurements):

Strength <ul style="list-style-type: none">• Strong Brand Following• Great Turnaround time in service• Strong Sales Team• Good Store Location	Weakness <ul style="list-style-type: none">• Website
Opportunity <ul style="list-style-type: none">• Increase demand for pre-owned vehicles after Covid	Threats <ul style="list-style-type: none">• Covid – Possible closure• Economy

Our action plan will be implemented using a SWOT analysis, using our strength to capture opportunity while avoiding external threats and improving our internal weaknesses.

Our Strength is fueled by a strong sales team that can help in turning our inventory by great follow up with clients and marketing the vehicles before arriving to the store see figure (1) below (15.87 Turns), Our Subaru Brand have a huge followers here on Vancouver Island. That is strength as our average days in inventory on a pre-Owned Subaru's is about 15 days which a great opportunity if we can source and more of those in demand vehicles.



A great opportunity has appeared after Covid, a 30 % Decline in new car sales vs an increase in demand for pre-owned vehicles under \$25,000. This increase is due to many factors for example; more customers are switching from using transit as a transportation mean to looking for a reliable pre-owned vehicle. The increase in demand for pre-owned vehicles must be supported by a strong platform “website “in which we can present our product in both a timely manner and in an appealing way in order to generate a lead and further a showroom appointment as currently we are using Subaru Cooperate platform which is very slow and delays the posting of our pre-owned vehicles to live status which currently is a weakness.

Our strategy will evolve around a quick turn vs depending on a high Average GP per unit , this allows us to turn more products and also lowers the risk of having being over stocked especially with the risk of a second wave or government demands for store closure.

Action TimeLine: 2 Months

What?

1. Sourcing Inventory

-Fast turning units “Market day supply of 45 days or less “

2. Pricing Strategy

-Price to Market based on Market Days’ Supply

3. Investment Quality

- Determine what units to retail and which to wholesale based on Market Days' Supply
- Move from a 90 day hard turn policy to 45 days.
- Plan an exit Strategy from time of acquisition

4. Reconditioning

Service to inspect car in first 24 hours

After approval:

- Day 1 - Vehicle detailed and pictures taken
- Day 1 - Parts ordered
- Day 2 to 4 - Mechanical completion inside 72 hours
- After 72 hours = bill reduced to cost
- Day 5 – Vehicle parked and priced in front line ready

5. Wholesale

- Weekly wholesale review – hard turn at 60 days
- Use Trade Rev and E-Block
- Two quotes from two vendors
- 5 poorest investments Strategy
- This review may supersede a 60 day old vehicle – manager discretion

Meeting with Stakeholders (dealership personnel):

1. Who: Sales & Service Manager
2. What: Describe vision and steps to reach goals
3. By When: September 1st
4. How: Implementations of steps and monitoring actuals results vs Kpi's