

## ACTION PLAN 1

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

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

My goal is to improve the desking performance in acquiring trades by raising my Look to Book (acquisition to appraisals done) percentage from 49.5% in the last 90 days, to 60% in the next 90 days. Most importantly and second, but most important step to the goal, is to lower my Cost to Market 90 day average down from 83% to 79% in the next 90 days, or by October 31st of 2020.

### BOTTOM LINE: Benefits of Achieving Your Goal

- More water from cost to book, giving us easier decision making for retail and auction exit strategy.
- Allow for more aggressive pricing bringing higher velocity and less interest paid.
- Ability to price aggressively with more Gross in our vehicles.
- Holistic ability to help the dealership by allowing for more room for reconditioning and fixed operations work.

### Consequences of Not Achieving Your Goal

- Lower grosses
- Aged vehicles
- aged vehicles that need work because of less ability to do all of the reconditioning needed
- Inability to meet monthly and end of year gross and volume goals, both in sales and service.

Immediately, Monday 7/20/2020

When will you start?

How will you gauge your progress? When? Using which metrics?

I will gauge my process through reports ran on all the appraisal data through V-auto. This has been inputted as 3 times a week, (MWF), in a calendar invite/reminder to run a "Look to Book" and "Cost to Market" report to track progress each week, and to gauge 3 times a week if I am trending in the right or wrong direction in each matter.

I will also run an end of month report through V-auto on both to see where I ended the month. I will be able to look at our Inventory Turn figures and judge based off of the change if they have increased, as well as end of month interest expense.

What specific actions will you take to achieve your goal? Who can help you?

-I have just signed up with stockwave through V-auto to be able to both accost for every facet of the acquisition process at auction, and buy the vehicles with each cost figure in place, at the right number every time.

-I will work with our top "selling" appraiser ( who is currently doing 70% cost to market on his trade ins, but has a lower acquisition percentage, so that I can better learn, in his words "How to hit a customer with a lower starting number right between the eyes", as he so eloquently puts it. As an old GM, for Ford and Porsche, he will be mostly who I work with here and I have already learned alot from him.

-I will be more meticulous about checking equipment, crawling underneath every vehicle, and taking the time necessary to get part and work quotes from fixed ops.

-I will rely heavily on the competetive set from V-auto and true market data on competetive vehicles so that I can use the low prices from Sonic Automotive dealers in my area to close trade figures.

-I will make the customer come with me for appraisals and do silent walkarounds with them, touching pieces of the vheicle, so that they will open up to me and tell me stories about the vehicle, and make them "sell it to me".

-I will focus on asking all of the necessary questions on the list of questions for accurate site unseen appraisals that I have.

#### Potential Challenges?

The size and location of the dealership is a Challenge. To provide the same "Old fashioned Service for Modern times" experience our slogan alludes to, customers have come to expect more out of us and have become spoiled and repetitive. They have not responded well to my lack of negotiation and emphasis on aggressive initial pricing, book values, competitive set, and market research that I do to close with Value over price. Many of our previous customers have expectations of thousands of dollar discounts, very high trade figures with overallowances. and that

#### Potential Solutions?

Be more flexible on the front end, and make sure that I have built enough rapport and gathered enough intel on the customer to understand their hot buttons and what they are looking for in the deal before presenting the numbers, books, carfax, repair order etc... to build value. Some people just want he figures and I will need to be better at fleshing that out instead of thinking I can rinse and repeat my value proposition habits. I can justify my price by work done in the Repair order, showing customers book and how we price fairly to market to begin with and remind them whv