

Departmental Action Plan

Student Name: Michael Cuomo

Class & Student Number: N323-18

Academy Week: 4

Current situation or challenge you want to address: Used car gross pvr is underperforming. This is a result of pushing volume and not trying to hold gross on retail units.

Overall Objective and Specific Desired Results: Overall objective is to re-focus on growing gross on retail units and not so much on volume. Specified desired result is to grow gross to \$1,200 per used car retailed while holding less inventory.

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

Hold less inventory. Focus on turns – goal is 12 turns, currently at 6 turns. Show customer all the pricing information – KBB, V-Rank, other dealers price, etc. to help gain customer trust. Advertise non-cpo and customer can decide when at dealership. Focus on market day's supply to determine pricing and reconditioning. Sales managers to do silent walk arounds and be aware of recalls and changing market conditions. Once vehicles start aging over 45 days – pay close attention to these so don't have old inventory. Price changes every 7 days. Photo the vehicles to get them online sooner, then get inspection done. Focus on Price to Market and Speed to Market.

Timeline: Describe specific short term and long term checkpoints to monitor progress

Short term – monthly monitoring of used car gross pvr. Review the DOC and Stone Eagle reports at least 3 times per week. Looking for increase in used car gross pvr and decrease in aged inventory.

Long term – annual review of used car gross pvr – goal is \$1,200. Review turns calculation – goal is 12 turns. Review reconditioning process and speed to market.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: Used car manager, GM, sales manager
- b. What: Re-focus on holding gross on used car retail, instead of pushing volume.
- c. By When: Immediate
- d. How: Variable ops director to get with store personnel to stress the importance of market days supply, price to market, and speed to market. GM to monitor using stone eagle reports and doc. Variable ops director to monitor using monthly actual to budget reports. Per GM – no training needed.

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:

Met with variable ops director and he is fully aware of the action plan and has already begun implementation with the goal of increasing used car gross pvr to \$1,200. He will be monitoring regularly and detailed the processes (listed above) in order to achieve this goal.
