

Departmental Action Plan

Student Name: Chris Matthews

Class & Student Number: 323-24

Academy Week: 4

Current situation or challenge you want to address:

We need to increase our pre-owned sales numbers to get our new/used ratios up to 1:1.

Overall Objective and Specific Desired Results:

Increase the exposure and aggressiveness of pricing for our pre-owned inventory to result in higher sales numbers.

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

As mentioned above we need an increase in our pre-owned department. We are currently a “new car store”, and have been historically. With the new car market slowly trending in a downward spiral, for Kia anyway, if we don't increase what we are

currently doing for exposure, we are going to be left behind. Other than our local website, we are only listing our cars on Autotrader. Not every customer looks for their cars on Auto trader. To start, we need a tool to measure what is happening around us in the market, such as Vauto. With Vauto in place, we can see how aggressive the dealers around us are as far as pricing. This way we can gauge how productive we can possibly be and have a better sight on “owning” our market. With the pricing tool in place, it will also let us know how we need to be buying our cars, so we can price competitive in the market. The next thing to attack is the amount of web presence that we have. Customers are now searching 4 or more sites before purchasing, and visiting one or two dealers at most. We have to be in that one or two! We need to increase our presence from not only Autotrader to Cars.com, Car Gurus, and Facebook at a minimum. I understand that there will be an increased cost, but If we can price our cars as close to cost as we possibly can, we can get the ball rolling and make it a “backend” success. Or, price our cars as close to cost as possible and bump for the reconditioning, etc. However, if we did the second option, we would need to list that in our disclaimer. With numerous consumers trusting in the “gauge” on Car Gurus, it would be a huge success to see our listings in the “great deal” category. This can do nothing but drive our numbers up across the board.

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

The short term goal is to get signed up with additional listing sites ASAP to increase exposure and adjust pricing strategies. The long term goal is to increase the number of preowned cars being sold monthly. The checkpoint process will be to monitor our visits to each site and monitor where our leads are coming from. The end result will be to monitor the number of preowned units that we are selling and the percentage of increase that follows.

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: Bobby Snipes (Used Car Sales Mgr)
- b. What: Change is not as much as behavior as it is strategy. However, the mentality of the sales team will need to be adjusted and they will need to be trained on handling the customer with pricing since profit margins will be thinner. This change should start producing results as soon as immediately. We will know when the amount of phone calls begin to rise. The consequence will be if this plan doesn't get managed properly, the amount of gross profit will decline which will in turn effect the pay of the sales staff as well as management! This means that the accountability lies on the entire staff, from the BDC to getting the deal funded. The monitoring process will be to measure the amount of traffic that is coming from each site, where the leads are coming from and the closing ratios.
- c. By When: September 30, 2017
- d. How: Get signed with alternate listing sites, increase web presence thru Facebook campaigns and get aggressive on pricing!

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:

After leaving class and having a chance to speak with my sponsor things we feel things are headed in the right direction. Our dealership has had a struggle with not only pre-owned sales, but new as well over the last couple of months. We have gone to a more aggressive strategy on pricing of the pre-owned inventory. Our strategy has moved to pricing our cars

online at or near cost. We have included in our disclaimer the additional disclaimers that will cause the price to be affected. So, the pricing is as transparent as we feel that it can be. This will give us a better chance to be number one in our market on price. We have also signed up with Cars.com as well as Car Guru's with an additional advertising expense of around \$4,000. The way that we see it is that it will only take two car deals to fit the bill! WE are anxious to see what our end results are going to be!
