Bailey Ford of Malone
Used Car Department Action Plan

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Challenge to be Addressed: Amount of time it takes to get a vehicle through the shop and to the front line. Our average recon time is currently 12 days, with many vehicles taking as long as 30 days.

Goal: Average recon time of 4 days. For vehicles that need body work, the desired recon time would be less than 14 days. Right now, we often wait 30 days or more for used vehicles to get the attention they need from the body shop.

This action plan is being implemented September 1st and will remain a high priority through the end of the year. It will require weekly stake holder meetings to measure results.

Deadline's for reducing average recon time
October 1st: Reduce average recon time to 8 days
November 1st: Reduce average recon time to 6 days
December 1st: Reduce average recon time to 4 days
December 31st: Evaluate performance and processes that were implemented in this action plan. Are changes required? Are we hitting our performance objectives? Is a new action plan going to be required to continuously meet our recon goals?
Q1 2021: Continue to measure recon time monthly. Implement a new action plan if average recon exceeds the 4-day goal for 2 consecutive months.

Stake holders: Used Car Manager, Service Manager, Service / Body Shop Dispatcher

Benefits of achieving the goal:

- Increase number of inventory turns in a year. This increases the number of sale opportunities in a year. We will be able to keep more inventory vs. wholesaling if we have a fast recon process. This allows us to leverage the grossing opportunity from our trade ins instead of giving it away to wholesalers / other dealers.
- Increase parts and service gross
- Sell inventory in the same market conditions that it was acquired in. The faster turn will allow us to take additional risk because we will not have to worry about inventory losing value before it makes it to the front line.
- Bottom line impact of increasing yearly turns from 6 to 8 would be over $12,000 across sales, service, and parts departments.

Potential Obstacles

- Service capacity
- We do not have a true used inventory manager

Specific Action Steps:

- Keep designated used car time blocked on the service schedule
- Detail vehicles and take photos immediately vs. waiting until after mechanical work
- Sublet recon any time it cannot be completed immediately
- Extend service department hours, designating the evening hours to used cars
- Charge service $25 per day on any used vehicles that are not completed in the 4-day time frame.