

Departmental Action Plan

Student Name: Adrian Acosta

Class & Student Number: N322-31

Academy Week: 4

Current situation or challenge you want to address:

Our current Sales performance expectation set by Lithia is 164 pre-owned vehicles.

Through June of 2016 DCH Kay Honda averaged 114 units per month.

As the pressure to achieve our 164 unit goal continued. The challenge we faced was how we would close the 50 unit gap between our current performance and our sales expectation.

Overall Objective and Specific Desired Results:

Achieve our 164 unit sales performance expectation with our current performance being at an average 114 units.

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

Immediately after returning from Variable 1 at NADA. I organized a meeting the Saturday after class to discuss how we would finally execute achieving our sales performance expectation.

I quickly determined during Nada that if we wanted to sell more units, I would surely need to stock more cars. I explained to my staff that the average sales of 114 vehicles and a 164 unit goal leaves us a gap of 50 units which tells us that we need to sell 43% more vehicles in order to achieve our goal. So, if we could successfully source and stock 43% more low day supply vehicles, and maintain our current turn we would accomplish our sales performance expectation. To maintain or possibly increase our turn while stocking more cars, we would have to competitively price our 0-15 bucket in vauto vs our current plan of holding out at a 105% price to market for the 1st 15 days.

To help in sourcing inventory, we dedicated one of our used managers as a buyer.

His 1 responsibility will be to maintain an inventory level of 168 pre-owned vehicles.

After successfully sourcing an additional 41 vehicles in July, (9 short of required inventory level) we sold 154 retail units. In August we sourced 46 additional vehicles and sold 155 retail units. With our new action plan in play we retailed the highest number of pre-owned vehicles all year 2 months in a row. In September we are trending 169 pre-owned vehicles.

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

Immediately source and stock 43% more low day supply vehicles.

Long term goal will be to maintain an average of 168 pre-owned vehicles in stock while maintaining our current turn in order to achieve our sales performance expectation.

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 / Used car Buyer / General Sales Manager
- b. What: Monitor inventory levels on a daily basis, replacing sold units with fresh inventory consistently.
- c. By When: Effective Immediately
- d. How: Utilize buying via simulcast / live block auctions and perfect use of the stock wave tool in order to source high demand, low day supply inventory

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:
