

## 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?

In order to decrease our pre-owned days supply and increase our inventory turns, we need to reduce the number of days to front line ready from 15 to 5 by the end of 2020.

**BOTTOM LINE: Benefits of Achieving Your Goal**

- \* We will streamline the used vehicle process.
- \* We will improve our used grosses.
- \* We will free up frozen capital.
- \* We will improve our online presence with a wider selection of vehicles.

**Consequences of Not Achieving Your Goal**

- \* Current market fluctuations are costing more than usual on our used inventory.
- \* Sales will be lost to other dealers and online vendors with a tighter used vehicle process.
- \* Disgruntled customers spread bad word of mouth quickly.
- \* The increased holding and advertising costs further lower the price of the used inventory.

When will you start? **Immediately**

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

To monitor the process, we will continue to use our trade-in book to track body shop estimates vs. repairs, a spreadsheet that shows the hold up with every used vehicle not lot ready, and our trade in tool, VAuto to measure used and aging. Currently, these metrics are checked three times a week. We will begin measuring these daily along with holding daily meetings to pinpoint the bottlenecks and improve our process.

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

We recently dedicated one detailer for recon only. His pay plan is being changed to drive the results we are looking for. Outsourcing detail to local vendors is also an option. We need to add another full time tech for recon.

We need to improve communication between service, detail, and sales. Too often, the left hand doesn't know what the right is doing. Meeting and monitoring progress daily will alleviate some of this.

Developing relationships with additional body shops will also shorten time to line. Between two dealerships, having our own body shop may make sense.

#### Potential Challenges?

- \* Employees are our biggest challenge. Retaining the best and recruiting new are a constant struggle.
- \* We have a limited number of body shops in our area.

#### Potential Solutions?

- \* Keeping our employees informed on what we are going to accomplish and reward them as the results occur.
- \* We need to increase our recruiting efforts and offer higher sign on bonuses for experienced workers.
- \* We need to improve the relationships we have with our current body shops and build relationships with others to ensure that our vehicles are a top priority to them.