

## 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?

I would like to increase pre-owned vehicle inventory turns. We are currently at 5.8 and we would like to get closer to 12 per NADA guide. If we could increase by 2 points over the next 6 months I feel that would be a step in the right direction.

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

Less frozen capital  
 More gross profit  
 More finance profit

**Consequences of Not Achieving Your Goal**

Increase of capital tied up  
 Loss of potential profit  
 Negative moral of management

When will you start? November 1st, enough time to devise and action plan

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

We will use the pre-owned days' supply and inventory guide bi-weekly to track our increase or decrease to make the needed changes if there is no improvement. We would like to see a 1 point adjustment every 3 months of tracking until we are closer to or above guide.

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

Stocking the proper inventory at the correct price points.

Track vehicle sales to see what vehicles are selling best in our area.

Increase out time-to-line of used vehicle trades.

Utilize software to obtain trades at the correct values to resell at reasonable or below market values.

This is going to be a combined effort of the sales department, service department, parts department, and detail department to make sure the vehicles are ready to sell and are marketed correctly.

#### Potential Challenges?

1. Market conditions
2. Acquiring inventory
3. Time-to-line

#### Potential Solutions?

1. Not be underwater in your inventory
2. Buying vehicles from customers instead of relying on the wholesale market
3. Having a gameplan for each vehicle at time of acquisition