

Chuck Patterson Toyota

Class 358

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### Action Plan

Currently my situation is not bad but I do feel there are areas to do better in and grow. Looking at new Toyota only through 8/31 we are @ \$2,849.56 a copy with 54.6% penetration on warranty, 61.6% financed, 19.4% leased and 45.6% on maint program. I am ok with most of those numbers (knowing my warranty penetration is 62% when adding used) but I would like to see my leasing penetration go up. Normally we hover around 35-40% (monthly) on the extended 5-year maint. program and I understand we may lose a little market share there; but with Toyota Care standard on all new vehicles I am still capturing the service and retention.

Ultimately our goal on leasing is to achieve a 33% penetration on leasing by year end from 19.4%.

This goal supports my dealer's vision by focusing on retention, Toyota Care warranty parts and labor increase and quicker buying cycle with more option's at trades without auction; all of which are good long term benefits. Another added benefit to the Toyota care and increased warranty work is we have just been awarded an increase in our parts and labor. Effective as of October 30<sup>th</sup> this year our labor on warranty (which includes Toyota Care) has increased from \$150 and hour to \$196 and parts cost +40% to cost +108%. Another important thing to me with increasing our leasing numbers and is a huge consequence is Toyota has changed their PMI. Based on how many visits you get within market, you can lose special access to the customer including marketing \$. This is greatly important in CA because if I don't have access to their info, with "opting in laws" I could have retention and net marketing issues with not just sales but service/parts.

With averaging 14 lease deals a month an increase of 14% would bring my sales increase goal to a manageable 2 cars a month which is very doable. Being able to achieve this goal would increase revenue by \$68376 yearly. That doesn't sound like much but with the increased service, increased CSI, and accelerated purchase cycle with trade opportunity, the overall net effect in the next 10 years will be tremendous. To achieve this, I will make it mandatory that lease options are offered to 100% of customers in both front end and our express service sales department through the use of MDesking tool. Furthermore, to entice my sales force I will give a \$500 spiff to the salesmen with the most number of leases every month. Starting October, I will track monthly to make sure that we are on pace by increasing 4.6% until the end of year to hit our goal. I will be making sure to also train my salesforce every week on the benefits of leasing from a consumer stand point like milage objections etc. Ontop of the monthly reporting to the GM I will require my sales managers check in on a weekly basis. When it comes to potential obstacles, I don't feel there will be to many with it being such and achievable goal along with an incentive to my sales force not only in the money but teaching them more to make them better. To make sure we continue with our success and not revert back to how we were I will continue to remind our sales force as a whole at our annual kick-off meeting at the end of the year as well as at the end of the 1<sup>st</sup> quarter next year.

CUSTOMER LOUNGE  
RETAIL PARTS

**VEHICLE EXCHANGE PROGRAM**

EXCHANGE YOUR CURRENT VEHICLE FOR A BRAND NEW ONE...AND POSSIBLY KEEP YOUR PAYMENT THE SAME OR PAY LESS!

**ASK US HOW!**

SUBJECT TO CREDIT APPROVAL, TERMS, DOWN PAYMENT AND RATES MAY VARY. SEE DEALER FOR DETAILS.



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Gloves

Masks  
Gloves

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- Inspects your vehicle bumper to bumper for real peace of mind.
- Performs a complete safety inspection and alerts you of any problems.
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