

Departmental Action Plan

Student Name: JASON RUSHIA

Class & Student Number: N323-04

Academy Week: 4 VARIABLE OPS 1- USED

Current situation or challenge you want to address:

Nemer Ford currently does not have a used vehicle turn policy in effect. This makes accountability from sales management problematic. There is no pain or gain set forth in pay plans to alleviate vehicles from ageing.

Overall Objective and Specific Desired Results:

Create a hard turn policy that ties turn of preowned vehicles to pay plans, and holds all members of management as well as sale personnel accountable for acquisition, turn, and profitability.

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

We will start by looking at our current used vehicle acquisition and pricing strategy. Current state is we look at nada, and arbitrarily put a number on the vehicle with very little guidance, since turn is not an issue we currently have preowned vehicles that are 200 plus days old at our store. Based on what I learned in class we will utilize cdk lot management as a tool to correctly price and appraise all incoming trades, and outside purchases. Using the days supply of specific units we will model our used vehicles to what is hot and has low days supply, although we may a bit more these vehicles, with correct pricing to market the turn rate should speed up and we can sell and deliver more used vehicles.

Pricing will be updated every 10 days to reflect discounts, and create more action on used vehicles

After thirty days all preowned will be priced at no more than 98% to market, the cars in question will be pay flat commissions, so the salesperson will actively show the vehicle

At 45 days we will start to explore exit plan strategy for vehicle...i.e wholesale, transfer to another store within group, auction...or wholesaling the unit with pricing to reflect current best price in market based on percentage...flat pay commission will decrease at 45 days in hope that since the salesperson knows they will make more money the quicker the car is sold.

60 days vehicle will be sold and the used vehicle department will take the hit in wholesale

Gsm, used vehicle manager, sales managers, pay plans will be tied to turn in the following format

At 60 days if there are no vehicles that need to be wholesaled, managers will receive a \$1000 bonus, to be paid 2nd week following previous month close, if there are vehicles that need to be sold 100% of the loss will be absorbed by the used vehicle department, so net commission to all involved will be less.

We will monitor this program daily, and require buy in from all involved. All acquisitions and trades will be run by Gsm, in a partner type system.

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

The process will start on October 1st 2018, with the pay plan portion to start on January 1st 2018. This will allow time for all involved to be retrained and for us to get our inventory and pricing in line before it effects everyone's pockets.

Dealership currently stocks 40 used and sells 25 monthly, with the new process we will grow the unit to 60 and sell 45+ units a month.

We will review this process after 30, 60, and 90 days and adjust as is needed to make the new process work.

At the 180 day mark we will submit a updated action plan to take this to the next level.

At 1 year mark, if successes are on par additional bonuses for turn will be added for the managers.

Meeting with Stakeholders (dealership personnel)

MEETINGS WILL BE HELD EVERY SATURDAY WITH ALL SALES MANAGEMENT, AS WELL AS SALES PERSONELL TO REWARD POSITIVE BEHAVIOR. GSM WILL MEET WITH GM MONTHLY TO DISCUSS THE PROCESS, PROGRESS, AND PARTNER WITH HIM FOR ADDITIONAL SUPPORT.

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: SALES PERSONELL, USED VEHICLE MANAGER, GSM, SALES MANAGERS
- b. What: PROCESS AND POLICY SET IN STONE REGARDING USED VEHICLE APPRAISAL AND PURCHASE.
- c. By When: JANUARY 1ST 2018
- d. How: Effective management, communication and using the tools that we have in place already

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:

SINCE I AM IN CHARGE OF THE SALES DEPARTMENT NO SPONSOR NEEDED
