

ACTION PLAN

My action plan will be making the dealership more efficient with aging inventory. This class showing me how to calculate the cost of the inventory really opened my eyes to how important cycling that inventory is. Obviously the business has taught us all that turning inventory is important but actually seeing the costs that come with it really changes the game.

Changes that will be implemented to accomplish this goal are:

- Put the oldest 10 new vehicles on the showroom floor with the remaining aged vehicles in a certain area of the lot
- The 45+ day old pre-owned inventory will be parked in a certain section of the lot
- Have detail department personnel walk these vehicles daily to make sure they are spotless and ready to sell
- We will offer incentives for selling these vehicles. It will be 100% commission on any that make gross or \$300 flat and 50% of what you hold on the trade in on the others. Along with other special incentives that we may put up on a Saturday or another day
- These units will be mentioned in daily sales meetings to keep them fresh on everyone's mind

This is a revolving door that we will always have to focus on. The goal for pre-owned inventory is to end each month with zero vehicles over 60 days old. The goal for new inventory is to not have a vehicle over 99 days at the end of each month. We will monitor this daily with our sales managers and our inventory managers. We will need to start applying all of the changes now and will need to have our goal reached by March 31st, 2021. That will give us time to work through any issues that need to be addressed as well as giving us time to sell down the inventory to the desired inventory levels. Once the goal is reached, maintaining it will be the next hurdle. Using these changes and all of the support from the staff we can make this work month in and month out. This action plan will make the dealership more profitable and more efficient as a whole!