



HOMEWORK ACTION PLAN

S SPECIFIC
 M MEASURABLE
 A ACHIEVABLE
 R RELEVANT
 T TIME-BOUND

Name <u>Peyton Owen</u>	Class #	<u>371</u>
Dealership <u>Star Chevrolet</u>	Date	<u>1/27/2021</u>

Current Situation or Challenge to be Addressed:	We are currently turning our inventory at lower rate than the NADA Guide of 12. One way we want to improve the turn is by focusing on our pricing strategy.		
Current Performance Level (include specific measure):	7 turns a year Price to Market Percentages Platinum = 97%, Gold = 94%, Silver = 98%, and Bronze = 100%		
Goal (what do you want to achieve?)	9.5 turns a year		
Goal Performance Level (include specific measure)	Since this plan is addressing pricing, we want to take ProfitTime levles to the following levels: Platinum = 100%, Gold = 98%, Silver = 96%, and Bronze = 95%		
Goal Start Date:	2/1/2021	Goal End Date:	8/1/2021
First Check-in Date:	3/15/2021	Performance Objective:	Turn increase to 7.5 Move .25% closer to desired percentage levels
Second Check-in Date:	4/19/2021	Performance Objective:	Turn increase to 8 Move .25% closer to desired percentage levels
Third Check-in Date:	5/17/2021	Performance Objective:	Turn Increase to 8.5 Move .25% closer to desired percentage levels
Fourth Check-in Date:	6/21/2021	Performance Objective:	Turn Increase to 9 Move .25% closer to desired percentage levels
How does your goal	The goal of increasing our turn from 7 to 10 aligns with my dealer's vision		

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align with the dealers' vision?	of achieving a greater GROI and taking our store a step closer to his goal of selling 200 used units a month.
What are the potential benefits of achieving your goal?	Achieving this goal would result in an additional million dollars in gross profit.
What are the potential consequences if you don't achieve your goal?	Not achieving this goal would leave us with distressed inventory and leave us in a poor position when it comes to maximizing our return on our investment.
Why is the goal important to you?	This goal is important to me because I am currently in the used car department, and this department is what drives my store's profitability. I don't want to miss an opportunity
Potential Obstacles	One potential obstacle will be my store's current pricing strategy. It has been very successful over the last couple of years, so it will be difficult to convince management to make changes.
Potential Solutions	One solution will be to present my used car manager and dealer with the Inventory Turn analysis and show them how much money we are missing out on. Another solution will be to share with them Dale's presentation and have them read his latest book.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	\$1,042,497

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
Have a meeting with the used car manager and the dealer to go over the current turn rate (7) and set the goal for the	- VAUTO data showing pricing metrics (MDS, CTM, and PTM) - Turn Calculations	- Used Car Manager	Set the goal of increasing the turn from 7 to 10 in a 6 month period.	Start: 2/1/21 Checkpoint Dates: 3/15, 4/19, 5/17, 6/21 End: 8/1/21

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desired turn rate (10).				
The used car manager and I will sit down and analyze our current price to market percentages in each category of ProfitTime. From there, we will set the goal percentages for each bucket (I listed those percentages earlier in the plan)	- VAUTO ProfitTime bucket percentages	- Used Car Manager and Myself	Set an exact goal percentage for each bucket on ProfitTime.	Start: 2/1/21 Checkpoint Dates: 3/15, 4/19, 5/17, 6/21 End: 8/1/21
Price Bronze and Silver cars aggressively from the start (Price Rank #1, #2, or #3 in the competitive set)Price Gold and Platinum cars to hold gross based of a low MDS and high retail volume.	-VAUTO	- Used Car Manager	Have every bronze and silver car priced in the top 3 p values in order to sell quickly. Have Gold and Platinum cars priced to gross AT LEAST \$2,000.	Start: 2/1 At each checkpoint, the price to market percentage should be .25% closer to the goal
Meet with the used car manager at each check point to discuss the progress and any possible	- Turn Analysis - VAUTO pricing metrics	- Used Car Manager	See the desired incremental increases of .5 in turn and .25 in price to market percentages.	Checkpoint Dates: 3/15, 4/19, 5/17, and 6/21

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problems.				
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As you work toward your goal, it’s important to have interim check points with specific, measurable objectives so your team can hold themselves accountable. If everyone knows the goal and objectives, you don’t have to spend your valuable time micromanaging.

Once you’ve accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

I am going to require that the Used Car Manager maintains the ProfitTime percentages laid out in this plan. This will be his guide to keep him turning the inventory at a higher rate. From here, we will begin looking at another element that effects turn: sourcing inventory.

Describe any planning or implementation meetings conducted as part of development of your plan.

As I mentioned earlier in the plan, there will be two specific planning and implementation meetings. The first meeting will be with the dealer, used car manager, and myself. We will discuss the need to change our pricing due to a lackluster turn rate. The second meeting will be between the used car manager and myself to set goal percentages for each bucket of VAUTO's ProfitTime. The goal is to increase our turn by improving our pricing strategy.

Sponsor Signature: _____