

SWOT Analysis

Subject: Frozen Capital Pre Owned Inventory

Strengths (+)	Weaknesses (-)
<p>Only Lexus dealer in the state, therefore only pre owned/certified Lexus dealer in state</p> <p>Surplus pre owned vehicle inventory can result in more pre owned sales- surpassing our dealership's personal goals of selling more and grossing more than year before</p> <p>Having more pre owned inventory hopefully means you have options to appeal to a wider market, resulting in new and untapped service and parts department customers</p> <p>Giving great customer service to new customers will hopefully result in more customer referrals (Parker Lexus- Where Customers Refer Their Friends :))</p>	<p>More cash locked up in pre owned vehicles</p> <p>Pre Owned vehicles aging</p> <p>If cash is locked up, it limits your ability to buy other pre owned vehicles that may appeal better to your market</p> <p>Aged units incur more costs= less cash (cost of insurance, repairs, depreciation, incentives to salespeople to get cars sold, etc)</p>
<p>Setting up a wholesale auction and putting our own aged pre owned vehicles in it monthly, this would result in freeing up our inventory to buy more pre owned vehicles that better fit our market or to use funds elsewhere</p> <p>Since we are the only Lexus dealer in the state, we could capitalize on being the only pre owned certified option to shop in state</p> <p>More Pre Owned vehicles can result in more internal service and parts gross</p> <p>Social Media boost, potential to Facebook LIVE broadcast, instagram, youtube, etc to promote the dealership and expand our social media impact and footprint= more fans hopefully turn into more customers!</p> <p>Improving turns on inventory</p> <p>Look into CIT if there is old inventory that is "sold" but not funded.. tighten up CIT policy = more oxygen/cash</p>	<p>Economic downturn</p> <p>Weather</p> <p>COVID</p> <p>Aged units incur more costs- insurance, repair, depreciation, etc</p> <p>Higher interest rates</p>
Opportunities (+)	Threats (-)

Write your goal statement:

I will decrease my frozen capital in pre-owned inventory from \$1,000,000 to under \$700,000 in the next six months. With the start of a monthly dealership wholesale auction, adding a salesperson to our team, and tightening up the Contracts in Transit policy and method, this is feasible.