



HOMEWORK ACTION PLAN

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

Name <u>Lauren Benedict</u>	Class	# <u>N369</u>
Dealership <u>Knudtsen Chevrolet Co</u>	Date	<u>3/1/2021</u>

Current Situation or Challenge to be Addressed:	Our current pre-owned vehicle inventory does not support our goal level of pre-owned sales and does not fulfill our current need to supplement new vehicle sales due to shortages from the manufacturer. We need to broaden our acquisition strategy.		
Current Performance Level (include specific measure):	Pre-owned vehicle sales were up 10 units in January 2021 (109 total) and down 12 in February 2021 (83 total) from the previous year, but are still off from our goal of 120 per-owned units per month. Current inventory units are 113 and our retail look to book is 43.8% for our rolling 60-day average. GP % of sales is 7.65% because we've been acquiring many units at the auction.		
Goal (what do you want to achieve?)	Increase pre-owned inventory units through customer purchases (trade-ins or street buys).		
Goal Performance Level (include specific measure)	120 pre-owned units sold per month and units in inventory at 120 with a cost to market at 85-90% and price to market at 97-102% with less than 10% of our pre-owned inventory units over 60 days in inventory and a rolling 60-day average look to book of 55%-60% and GP % of sales at 12%.		
Goal Start Date:	3/1/2021	Goal End Date:	3/31/2021
First Check-in Date:	3/8/2021	Performance Objective:	On track for 120 units sold, 110+ units in inventory, look to book at 45+%
Second Check-in Date:	3/15/2021	Performance Objective:	On track for 120 units sold, 113+ units in inventory, look to book at 47%+
Third Check-in Date:	3/22/2021	Performance Objective:	On track for 120 units sold, 117+ units in inventory, look to book at 50%+
Fourth Check-in Date:	3/29/2021	Performance Objective:	On track for 120 units sold, 120 units in inventory, look to book at 55%+

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How does your goal align with the dealers' vision?	Our dealer's vision is to sell 120 used units per month, increase fixed absorption to 60%, and achieve a net to gross of 20%. The pre-owned department impacts each department, especially service, parts, and body shop which contribute to fixed absorption.
What are the potential benefits of achieving your goal?	Increased sales volume, improved GROI, decreased pre-owned frozen capitol, increase fixed absorption, and increased net profit.
What are the potential consequences if you don't achieve your goal?	Decreased net profit (potentially losing money), not having enough pre-owned vehicles to supplement the decrease in new vehicle inventory, and continuing to pay too much for pre-owned vehicles.
Why is the goal important to you?	This goal is important to me because I envision us to be the most convenient option for our customers, which will help us achieve our dealer's goals as well.
Potential Obstacles	Our pre-owned manager relies heavily on auction purchases and trade-ins, and is reluctant to buy off the stree.
Potential Solutions	Develop a system for appraising customer's vehicles that provides a convenient and realistic experience, even for sight unseen purchases.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Increasing our monthly sales by 24 and being able to maintain 12% GP as a % of sales will result in a \$73,349 increase to gross profit per month.

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
Develop "We want to buy your car" marketing strategy/materials	Assets for digital and POS	ZMOT (marketing company)	Increased consumer interest in selling us their vehicle.	3/2/2021 - ask for assets 3/8/2021 - POS, website, and social media assets posted 3/15/2021 -

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				Assets used in advertising and SEO Ongoing, but may be adjusted depending on inventory levels
Develop virtual appraisal system	Reach out to fellow dealers for inspiration.	Pre-owned manager GSM	Physical check-list for customers and employees re: information and photos needed for appraisal More street-buys	3/1/2021 - examine current process - what's working and what isn't? 3/2/2021 - begin developing checklist 3/16/2021 - check-in 3/31/2021 - completed
Determine and install best website tool for valuing trades	Trade valuation tool	GSM	Only one trade valuation tool on our website - one that we trust and encourage our customers to use	3/2/2021 - "mystery shop" our website 3/9/2021 - narrow choices to 2 or 3; schedule demos 3/12/2021 - choose tool 3/16/2021 - Train employees on the tool and the value to customer 3/31/2021 - install
Measure look to book for every	vAuto	GSM	55 - 60% look to	3/1/2021

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SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
employee with ability to appraise		Sales Managers	book More street-buys and trade-ins	Weekly Ongoing
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Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

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.

We will continue to measure look to book for every employee that appraises vehicles, measure GP as a % of sales, Cost to Market, Price to Market, and sales track on a weekly basis.

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

Weekly leadership meeting and vAuto performance calls.

Sponsor Signature: _____