

Departmental Action Plan

Student Name: Chad Marshall

Class & Student Number: N324/30

Academy Week: 4 Variable 1

Current situation or challenge you want to address:

I want to increase the CPO business at this INFINITI location. The reason I say that is I am moving to another INFINITI store mid November out of state and I will not be here to follow through and see this over a several month period. However I will be taking a lot of these practices to the new store. We currently don't do a lot of CPO business because of the last used car manager. We hired a new used car manager and he is committed to getting these CPO numbers up.

Overall Objective and Specific Desired Results:

We average \$399 more in front end gross on CPO units, even though the recon is approximately \$468 more per car which will help service internal gross. We also average \$1082 more per copy in F&I. CPO customers also have a higher return % for service and additional vehicles in the future. CPO is good for the entire dealership, not just the used car department. Looking at the numbers this store should have a significant impact to the front end gross if they sell more CPO. We also have the opportunity to put ICV (INFINITI customer vehicle) into loaner service and pull these out 6-12 months later and out on the used car lot as CPO units. This way we can control the vehicles going on the lot as a CPO, manly equipment and color. This should prevent the typical "rental rocket" in our CPO inventory. We also receive a credit from INFINITI for the cost of the CPO warranty once the vehicle is retailed. There are a lot of positives to the program. Overall it will increase gross profit for several departments, and a higher % of those customers will return to the dealership for future business.

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

We have the CPO manager from INFINITI visiting with our new used car manager for some best practices that he has learned from the other stores in the region. We have also had the CPO trainer from INFINITI stop out twice in the last 75 days for a refresher with the salespeople and more emphasis on selling CPO. Our service and parts manager like the idea, as it will generate more revenue for them.

Our service manager already has a CPO inspection process in place, same as the parts manager. We also have ordered more CPO point of sales materials. The CPO to new car ratio sold for each month is a part of the used car manager's pay plan. Therefore it is in his best interest to sell more CPO's. The rest will come down to acquiring the right inventory and training the salespeople. We have identified which auctions run IFS Lease returns and will source from these locations.

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

We currently have more CPO in stock than we have had in some time. After 60 days we should see an impact on the front end gross in the used car department. We will also take in more trades on CPO vehicles, making an even larger impact to the front end gross. Long term it is going to need to be consistent in our CPO process we establish. The ultimate determination of success will show on the financial statement, more gross from used car sales and service. The used car manager has organized all of the materials needed to present CPO at the salesperson's desk, this will also need to stay consistent.

Meeting with Stakeholders (dealership personnel)

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

- a. Who: Used Car Manager, Service Manager, Parts manager
- b. What: Maintain consistent processes, have CPO techs ready and available daily, stock INFINITI OEM parts for the CPO vehicles.
- c. By When: BY November 1st all of these need to be in place.
- d. How: All of the managers have sat down with me and had a discussion about what their role is in growing the CPO business. As long as everyone stays consistent with their role in this, we will definitely grow the CPO business.

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:
