ACTION PLAN 1

S Specific M Measurable A Achievable R Relevant T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

I will lower our New Vehicle Inventory days supply (and average days supply) from 135 days to 65 days by June 30/21. We would like to meet guide of 45 days by years end. Inventory replenishment will count on it.

BOTTOM LINE: Benefits of Achieving Your Goal

- Lower interest paid which reduces expense
-Earn more inventory
- Salespeople/Managers are happier with more volume generated
-Supplimental will see an increase - accessories etc
-Better retention or more customers going forward for the service department
-More Trades
-Easier to tap your database in the future with more customers
-Happy manufacture

Consequences of Not Achieving Your Goal

-Higher interest costs
-Won't earn as much back
-Potential meddling by OEM & ownership
-Won't need as much staff - layoffs
-Internal will be lower

When will you start?

We are starting this process now

How will you gauge your progress? When? Using which metrics?

We are going to guage our progress at the end of each month once we have our statements. Internally we are striving to increase our volume specifically in new cars. So far we are ahead of last year coming out of the first quarter. This trend will need to continue if we want to earn more inventory. Targeting our aged will help with this.

What specific actions will you take to achieve your goal? Who can help you?

We are going to be making sure we identify our aged inventory first and then make sure the following
-Ready for retail, clean, visible to staff, pictured and descripted properly online
-Throw up some cash to whover sells the most aged by the end of the month
-Trade the oldest to other dealers hurting for ground stock for diverted units that reset the clock and get back some interest credits
-Create lost leader specials online using aged stock

All of our staff can help with this. From GM to lot people. Getting the team to buy in, should make us clean by the end of june

Potential Challenges?

-New vehicle Salesmanagers arent typically paid to worry about aged inventory
-Hanging onto the inventory for fear of being left short due to the shortage
-Another lockdown resulting in low sales
-Staff not as motivated to “blow out” the aged inventory right now because we are hitting homeruns on a lot of inventory

Potential Solutions?

-Me, as the acting GSM can make decisions that do not necessarily need approval
-Get those units retail ready myself
-Make DT deals myself
-Set up a call list of customers specifally designed to sell specific units that we have identified.
-Create our own ads marketing these specific untis
-Create a bonus to the person that sold the most