ACTION PLAN 1

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

My goal is to increase internal service and parts internal margin from 66% and 13% to 74% and 41% respectively by June 1, 2021.

BOTTOM LINE: Benefits of Achieving Your Goal

Increased gross profit in each department resulting in roughly $8000 in additional profit.

Consequences of Not Achieving Your Goal

Consequence will be not charging for what the store is demanding, lost gross potential and lower margin.

When will you start? Start April 1st by increasing pricing 1/2 way. Other half effective June 1st.

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

I will gauge my progress each month looking at the financial statement and calculating return on sales by using sales and gross profit.

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

My specific actions will be to increase the internal rate to the effective labor rate for both service and parts. Both the service manager and parts manager will help increasing the pricing for both. With the pricing increase, the used car manager should expect a higher level of service and faster lot ready times for their used car inventory. I calculated, daily holding cost for a used car is $55 per day. If we can turn their units back to them faster, triming six days to three days, the internal pricing increases can exceed $165 per RO and be a break even for the used car department.

Potential Challenges?

Potential challenges will be push back from used car manager, once again if we can cut the lot ready time, should be a push or a positive for them.

Potential Solutions?

We have an extra hoist in our body shop building that is located next to the used car building (away from main building-new/service). Not having to shuttle the cars back and fourth and being located closer to the used car manager could be benificial for reconditioning process. That would be the case for individual attension and to free a hoist at the main store-service. We also have parts personel in the building already that can help distribute parts to the technician.

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