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**CLASS: N381**

**HW #2**

**WHOLESALE ACTION PLAN:**

**What is the current issue you are facing ?** After analyzing my dealership's wholesale activity, I realized there are a few areas in which we can improve on, such as our appraisal summary. It is crucial that we are making sure the right number is being placed on our pre-owned inventory. More times than acknowledged a dealership including my own may over value a trade in vehicle in order to make a deal happen. Then after a slow turnover is forced to wholesale the vehicle at a price less than what they own it for reflecting in a true net loss on the dealership.

**How do you plan on solving this issue ?** One way I feel we can address these issues are by training all sales associates and managers on not only how to devalue a trade but correctly use the tools at their disposal. We currently use a system known as v-auto to do trade appraisals at Kia of West Nyack, through this system you are able to see not only the KBB (Kelly Blue Book) value of a vehicle but MMR value, auction value and most importantly wholesale value of the vehicle. All one has to do is scan the vehicle's bar code upload pictures and the mileage. A full report is then created listing what the same cars within a 300 mile radius are selling for. The reason this training is needed is because by taking in trades correctly it not only replenishes inventory but it increases a dealer's profitability.

**How do you plan to track your success?** A car is deemed a wholesale piece when a dealership feels as though there is no realistic chance of it selling on their used car line, which often means the dealership runs a large risk of having to take a loss just to avoid aged inventory. By implementing wholesale training you are practicing risk management, tracking the success by creating year over year market reports comparing the amount of wholesale units taken in and what is being made or lost in comparison to the previous year.