

A NEW Grand Theft Chevrolet

Team 6 N384

Performance
Goals

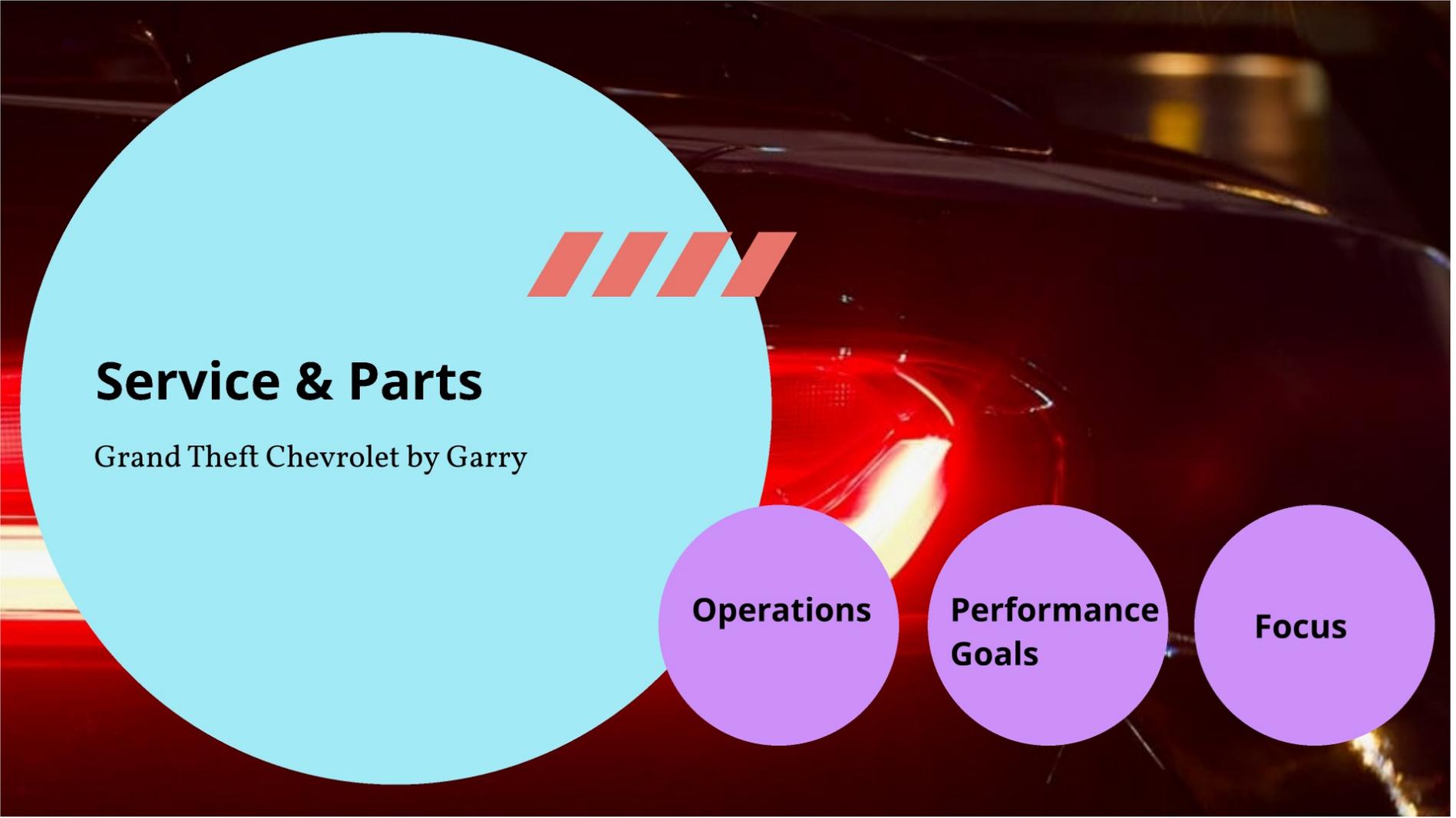


Performance Goals

Increase Profit & Productivity
for Fixed Ops

New & Used Car Profit Levels &
Gross

Increase Finance Income &
PVR



Service & Parts

Grand Theft Chevrolet by Garry

Operations

Performance
Goals

Focus

Hours of Operation

New Additional
Department Hours
Now Open
Saturday 8a - 4p
&
Sunday 8a -4p

By adding Sunday this
will give us an average
of 30 working days
and an additional 51.6
hrs per month

Allow us to have
increased volume of
work in the shop and
better options for the
customers that are
scheduling.

Short Term Goals

Monitor Techs and evaluate work & productivity. We will add Virtual MPI for more effective streamlined inspections this will help increase the 2 hr deficiency

By Increasing booked time by 2hrs/day x 6 techs, we will gain additional 12 hrs/day or 370 hrs/mo

Service door rate increase from \$100/hr to \$139.99
Internal door rate increase from \$75/hr to \$139.99
3 months apply for warranty rate increase

The additional hrs from each tech this will gain us an extra \$43k per month.
6 techs x 2hrs x 6days x 4.3 weeks @ \$139.99

Long Term Focus

- Control discounts from Parts & Service
- Service Gross is 60.4% increase to 70% a increase of \$6,443/mo
- Parts Gross is 29.5% increase to 38% a increase of \$5,845/mo
 - Remove discounts offered on internal
- Increases Internal gross current 57% gross to 70% a increase of \$3,285/mo
 - Focus on aging and parts return policies for Parts dept
 - Parts Manager Pay plan should be focused on aging parts
- Focus on accounts receivable and assign office to collect past due bills
- GOAL is to not have any past due bills over 60 days moving forward
 - Review Semi-Fixed Expense bills (third party vendors & outside services) re-negotiate contracts
- Run RO daily Sales Report for the last 3 mos to see which advisors might have inefficiencies do one on one training



Hours of Operations

Showroom Hours:

M-F 9a - 8p Sat & Sun 9a - 4p



New Car Goals

Overview:
Avg sold 44
4 Month Supply
NADA Guide 1.5 mo supply
50% of Inventory 60+ days

- The Fix:
- Add Vauto Conquest tool to see mix of inventory
 - Dealer trade/sell off aged vehicles
 - Right mix of inventory will lead to increased volume, profit, and faster inventory turn (less paid in floorplan interest)
 - Increase Doc fee from \$249 to \$695 this will add additional \$338,514

The Whos' & Whats':
Who's Ordering Vehicles
What's the mix of Vehicles being ordered?
Whats the quickest increase in profit?

New
Inventory
Guide

Management

YTD Cost of Sales

New Vehicle Average YTD Cost of Sales

- YTD New Vehicle Retail Sales Dollars (without F&I) \$16,688,000
- YTD New Vehicle Gross Profit Dollars (without F&I) -\$30,464
- YTD New Vehicle Retail Cost of Sales Dollars \$16,718,464
- Statement Month 10
- AVG YTD New Vehicle Cost of Sales \$1,671,846

- New Vehicle Inventory Days Supply
- New Vehicle Inventory Dollars \$8,649,274
- AVG YTD New Vehicle Cost of Sales \$1,671,846
- Months Supply of New Vehicle Inventory 5.17
- Number of Days in the Month 30
- Days Supply of New Vehicle Inventory 155 Guide = 45

- New Vehicle Calendar-Year Inventory Turns
- 12 Months in a Year 12
- Months Supply of New Vehicle Inventory 5.17
- New Vehicle Inventory Turns 2.32 Guide = 8

New Car Strategy

- Currently only hitting SFE objective 50% of the time and the dept is losing money
- Do we need a different Manager?
- Different pricing strategy?
- Hitting SFE every month would increase New Car profitability by \$123,000
- GOAL is to hit SFE 100% of the time by January of 2021
- Incentivize Sales Floor Fast Start with minimum expectations of 10 New Cars per month

Pre-Owned Inventory

Overview:

Avg 31 units sold
94 units in stock
3 mo supply
Avg inventory cost \$19,780
Avg cost of Vehicle Sold \$15585
Variance of \$4195

Whos' & Processes:

We need to look at who's buying inventory and adjust strategy to stock vehicles that are more in-line with local market demand (cheaper units)

Questions:

- Are we putting too much \$\$ into trades?
- Is the appraiser adequately accounting for recon items while appraising? (needs tires, windshield, brakes, etc.)
- Are vehicles properly reconed the first time? (Dents, dings, scratches, interior condition, etc.)
- How quickly are vehicles pictured, priced, descriptions online? - needs to be done immediately when vehicle comes in on trade

TO DO:

- Take aged/expensive inventory to auction - overstocking is costing the dealership money
 - Review recon cost on used vehicles
 - Used Car Manager needs to have a plan for the turn - sell or wholesale by 60 days
- Current recon time is 12 days. We need to hire additional tech or 2 to ensure 72 hour recon time. Longer hours of operation should help reduce this time as well.
- Reduce frozen capital (currently around \$1,000,000) which would free up dollars to pay down debt

**Frozen
Capital**

Frozen Capital Pre -Owned

Frozen Capital

YTD Pre-Owned Vehicle Retail Sales Dollars (without F&I): \$5,007,100

YTD Pre-Owned Gross Profit (without F&I): \$354,261

YTD Inventory Adjustments (+/- as on statement:) \$0

YTD Pre-Owned Cost of Sales: \$4,653,439

Statement Month: 10 (October)

AVG Month Pre-Owned Cost of Sales: \$465,344

Factor: 1

Guide: \$465,344

Pre-Owned Vehicle Inventory: \$1,859,314

Guide: \$465,344

Frozen Capital: \$1,393,970

Finance Goals

Finance Office:

- PVR currently at \$573 NEW/ \$624 USED
- Finance process needs to be reviewed
- Implement training and have daily meetings to review performance
- Review F&I payplan and make sure it is focused on PVR and product penetration
- GOAL is to be @ \$1000/copy by April of 2021
- Long Term GOAL \$1300-\$1400 in 1 years time
- E-Contracting needs to be implemented in order to speed up CIT Process



Grand Theft Chevrolet