



HOMWORK ACTION PLAN

S SPECIFIC **M** MEASURABLE **A** ACHIEVABLE **R** RELEVANT **T** TIME-BOUND

Name Derek Rusbarsky Class # N374
 Dealership Mercedes-Benz of Pittsburgh Date 7/2/2021

Current Situation or Challenge to be Addressed:	Our new vehicle holding costs are higher than the national average and also the best of class for Mercedes-Benz.		
Current Performance Level (include specific measure):	Our current daily new vehicle holding cost for new vehicle is \$119.92 through 5 months.		
Goal (what do you want to achieve?)	Our goal is to be able to move inventory as quickly as possible in order to positively impact the department's profitibility and lower expense.		
Goal Performance Level (include specific measure)	We want to lower our holding costs as much as possible to at the minimum of \$111.00 and work towards exceeding the best of class measurement (\$72.40) by end of year.		
Goal Start Date:	7/5/2021	Goal End Date:	12/31/2021
First Check-in Date:	9/2/2021	Performance Objective:	We want to lower our new vehicle holding costs to \$115.00 by focusing on selling our at risk and aged inventory.
Second Check-in Date:	10/4/2021	Performance Objective:	We will lower our new vehicle holding cost to \$111.00 by improving our inventory acquisitions and lowering our at-risk inventory over the past 3 months.
Third Check-in Date:	12/6/2021	Performance Objective:	We will sustain or \$111.00 new vehicle holding costs to make sure our processes and efforts we put in place are sustainable for longer term success
Fourth Check-in Date:	12/31/2021	Performance	Lower our holding costs to

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		Objective:	\$105.00 to exceed the average and start to push towards best of class by refining processes even further and now having an inventory built to sell fast
How does your goal align with the dealers' vision?	Our dealers vision is to provide an exceptional experience for our clients and as a result, make a fair profit on all transactions. By being able to move inventory quickly, we can improve our selection of inventory available for our clients and have the cars in stock that people want. As a dealer, lowering expenses helps to allocate money in better ways to help provide the best experience for our team members and clients.		
What are the potential benefits of achieving your goal?	Benefits include having higher turns, improving profits, lowering expenses, minimizing lot damage, higher gross, improved inventory, minimize cleaning fees, and lowers floorplan expenses.		
What are the potential consequences if you don't achieve your goal?	The potential consequences of not achieving our goal is that our "at risk" inventory becomes old and dead units which will create a significant amount of expense to our dealer. When days in stock increases, so does, accident expenses, floorplan expenses, cleaning fees, advertising expenses, and higher commissions paid to get rid of the car at a loss. It is also creates an allocation issue to acquire better inventory on cars that are hot in the market.		
Why is the goal important to you?	This goal is important to me as I begin sales and sales management training because it allows me to focus on our current inventory. I will be able to see the consequences of having the wrong inventory and find ways to minimize the expenses by strategically finding ways to get rid of aged cars. It will also allow me to see how important it is to study the trends of the market and allocating the right models at the right time to achieve the highest profitability in the new car department.		
Potential Obstacles	The largest obstacle is the low inventory at this time. With not having inventory available to acquire, it really puts stress on the quality of cars to acquire and also limits in dealer trading these cars out to other stores as well. Another issue is that our store is in the city and is a "destination" store and we do not get drive-by traffic and will not get lucky in selling these cars on any given day. We have to have a solid digital marketing plan and be able to incentive our staff to push these cars when working with clients on CRM or who come in for appointments. We also have strong competition in the area with 3 other Mercedes-Benz dealers with the Pittsburgh area all competing for market share and vehicle acquisition. My lack of experience in the sales department will also be a factor and learning what questions to ask the sales management and		

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	being able to communicate new ideas with them will be challenging.
Potential Solutions	Improving our digital retailing is a must. We rely so heavily on having an online presence due to the location of our dealership and the challenges people have getting in and out of the city. Working closer with our marketing team is important as our current sales management staff does not focus on this as much as they should. Being more involved in the CRM and actually holding sales consultants accountable to handle ups and follow up with potential clients will create more traffic into store and generate more conversations about our inventory. As far as with the physical inventory we need to re-clean all vehicles, locate the cars on the premier spots on the lot, create aggressive spiffs and show discount on car, use as a demo, look into placing in loaner inventory, and create an advertisement or card to provide our service clients with at time of pickup of our best deals on these cars.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	The financial impact can be viewed in multiple ways by allowing new vehicle holding costs to be high. The most obvious is the savings we would have per day per unit in holding costs associated with our aged inventory (\$119.92), The major area of concern financially is when discussing our current inventory vs. selling cost. Currently after calculating we are looking at an overall variance of \$(23,629). This is due to having several models with high number of units and a low YTD gross average. If we can stock the right inventory and move cars quicker we can recover from this deficit and become profitable. It is also important to look at how moving cars quicker impacts the new vehicle turn and the impact that it will have on overall additional gross. We are currently at 9.6 turns and will look to achieve a turn rate of 11 by end of year by focusing on not holding new vehicles on our lot beyond our goal. Using the NADA power of turn calculator we would look towards grossing an additional \$860,699 even if we decreased our projected front end gross by \$158.00 per copy in order to move more cars.

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What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
Enhance our website with our marketing department and spotlight our aged vehicles	Website design team and marketing team	Sales Managers	Spotlighting aged inventory and pricing to sell on our website and focus on digital retailing will clear inventory	7/2/2021 - 7/31/2021
Conduct phone training for all sales staff	NADA training information and action plan I created to improve phone skills on phone and setting appointment	Sales Managers and I	Enhancing our phone skills will be enable us to have meaningful conversations trust, save time, and show respect for our clients time in order to sell more cars	7/2/2021- 7/31/2021
Re-train on CRM in order to make sure managers are momntoring and sales consultants are using to a high level	Reynolds and Reynolds training support will be coming in to train	Sales manager to arrange Reynolds trainer	With a higher level of training on CRM we can really dig into the client base in order to find deals that we may have not known existed. We will also stay on top of managing this at a high level moving forward	8/2/2021- 8/31/2021
Conduct effective sales meetings daily providing information on aged units, placing spiffs on	Sales managers need to create a template that can be provided daily to the staff with key information	Sales Managers	By conductive brief, 8 minute sales meetings daily, the team will be fully aware of cars that need	7/2/2021-Ongoing

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these cars, and adding value to the car to sell	for each vehicle approaching the breakeven timeframe		to sell and get them excited by adding a spiff or value in selling these cars. Create friendly competition and move cars faster below the 45 days supply goal	
Tagging cars consistently on the lot to draw attention to specials and place cars in premier locations on lot to be seen	Lot attendants to be focused on tagging correct cars and moving to desired locations. Re-cleaning vehicles prior to displaying	Sales Manager	By showcasing our aged vehicles as special buys and drawing attention to these cars, it will increase our ability to sell cars below our 45 day supply goal	8/2/2021-8/31/2021
Review loaner fleet inventory and cycle in aged inventory in order to pull at any point and sell as a used, certified car.	Office staff, sales manager, and Dealerware to remove and add inventory	Sales Manager, GM, and Office Manager	Placing an aged unit into loaner inventory allows for the vehicle to stay available and be removed and sold as a certified unit. This will make vehicle usable to the dealership instead of sitting idle.	8/2/2021-8/31/2021
Identifying in-demand inventory and build strategy to identify best inventory to have and acquire to reduce potential	Vauto, own sales history, lost sales report, OEM market data reports, Review dealertrade history, and	Sales Manager	We will become successful at acquiring the right inventory and reduce our aged inventory. We will have what	8/2/2021-8/31/2021

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aged inventory in the future	review DMV records for what is being registered in our market		the clients want, when they want it.	

As you work toward your goal, it’s important to have interim check points with specific, measurable objectives so your team can hold themselves accountable. If everyone knows the goal and objectives, you don’t have to spend your valuable time micromanaging.

Once you’ve accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

We will have a manager meeting each Monday that will focus on all at risk or aged inventory. It will be a requirement of the sales managers to provide any leads on these cars to the GM and also the plan for each model to unload the cars. At each sales brief with the staff, old inventory (new and used) will be reviewed along with spiffs tied to each car and a focus on selling these cars. Sales managers will work closely with the marketing team to really put emphasis on these units and create a digital marketing plan to sell these cars. The Gm along with the sales managers and marketing team will study the VDP's and focus on making sure there is an interest in the car and acting immediately on all leads.

Describe any planning or implementation meetings conducted as part of development of your plan.

I will meeting with my General Manager to discuss all strategies. This will be imperative to further my understanding of our current inventory, challenges we face with personnel or management, and gaining his perspective on how to address the concerns. Once that is complete, we will have a team meeting with the sales management staff and provide the action plan to them. After we receive their input, we will explain our goal to our sales staff and outline our strategies to accomplish our goal. We will explain why this goal is important and share the benefits