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NADA Action Plan

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

- My goal is to increase our dealerships total absorption
- I want to achieve over 100% percent total absorption (currently at 93%)
- I would like to achieve this by the end of the calendar year

Bottom Line: Benefits of Achieving Your Goal

- Increased profit
- Increase in service efficiency
- Higher turn rate of used cars
- Increased reconditioning days for used cars

Consequences of Not Achieving Your Goal

- No profit gain
- No money coming in to off-set expenses that keep the dealership running
- If 100% of total absorption is not met, then it takes profit from the new car department
- If not met, then we will have a used-car inventory that will sit and lose money on

When will you start?

- September 1st

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

- To track my progress, I will calculate my total absorption at the end of each month
- I will also track the operating profit/loss of Service, Parts, and the Pre-Owned department every month

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

- Hire more techs (if possible)
- Check used car inventory to see how old our current units are and set up a plan on how to sell our highest aged units and how to turn the younger units as quickly as possible
- Ensure that we are buying the right pre-owned inventory for the market and wholesale the unwanted ones

- Currently, take off brand units that sell well and use that as inventory
- Check parts day supply and make sure that we are stocked properly to maximize profit
- A few people that can help me with this include
 - o Our head of HR that helps with recruiting
 - o Used car manager to help with what cars that we have in stock and what kind of cars that we need to stock in that is right for our area
 - o Work with our parts manager to see what our parts day supply is and how we are turning our parts inventory old and new

Potential Challenges?

- Shortage of inventory
- Shortage of technicians
- Parts availability due to pandemic
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Potential Solutions?

- Raise monetary incentives for references of new hires
- Hold "appraisal days" for customers to sell their car to us regardless if they are, buying another car
- Check other dealers to see what parts inventory that they have and see if we can buy or trade parts that we need from them