

# Management Action Plan – VO1

Specific – Measurable – Achievable – Relevant – Timely

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Dealership: Seaside CDJR

Class & Student Number: N382 - 2

## **Current situation or challenge you want to address (narrow your focus):**

Our wholesale gross is negative.

## **Overall objective (goal) and specific desired results:**

Make wholesale gross positive.

## **Describe your action plan in detail (including before and after measurements):**

To Achieve Positive Wholesale Gross:

### Before Measures:

The wholesale at our store always been in negative and a losing proposition. Current statement shows YTD 154 vehicle were sold in wholesale with a negative profit of \$35647. This gives average of 22 vehicles per month with an average loss of \$231 per vehicle.

### Plan:

Attention to be paid and processes should be amended or made to not only sale of wholesale inventory but also to the acquisition of the vehicles as well.

### Recommendations:

- Service buys "processes" will be developed and enforced.
  - ✓ One Service Advisor will be made responsible for calling customers a day ahead.
  - ✓ He or she will confirm their appt. and ask if they wish to have a non-obligated free of charge appraisal report at the time of their service.
  - ✓ The SA will hand over the report and ask customer to approach him/ her if they wish to proceed.

- ✓ \$100 coupon will be provided to customer for hot cars (which they can use towards their sale)
  - ✓ Service Advisor will be compensated for the unit acquired.
  - ✓ An appraisal form will be created and posted in the website service section for these customers. The email from these forms will go directly to the dedicated person appointed.
- Street purchases will be encouraged.
  - ✓ Processed will be developed for acquisition and appraisal for the street purchases.
  - ✓ Signs will be posted on the both sides of the property near the streets.
  - ✓ GSMs will be trained and made familiar with the processes for street trades.
  - ✓ Quick quality appraisal will be provided to the customer.
  - ✓ An appraisal form will be created and posted on the website for these customers. The email from these forms will go directly to the dedicated person appointed.
- Website will be updated with new tab "We buy your car, even if you don't buy from us".
  - ✓ An appraisal form will be created and posted in the website for these customers. The email from these forms will go directly to the dedicated person appointed.
- Quality appraisal standards will be established for trade in "processes" and for all other purchases.
  - ✓ Written Processes will be established for appraisals.
  - ✓ Only GSMs will be allowed to do appraisals.
  - ✓ Trainings will be provided for quality appraisals.
  - ✓ Processes will be strictly enforced for the appraisals.
- Improvised processes will be established for recons.
  - ✓ Only minimum or recons will be done.
- Selling at auction or sister store trade will be done for inventory older than 30 days.
  - ✓ Before sending for auction vehicle retail sale will be explored.
  - ✓ A list of recon work required with the prices will be made on paper and posted in addition to the rate and posted as window sticker.
  - ✓ The comparison of the recon work prices (factory v/s non factory local shops) will be explained to potential buyer while time of sale. Vehicle will be sold as is where is.
  - ✓ An email database will be created for local 200 mile radius used car sales businesses and regular emails will be sent with the inventory available.
  - ✓ Sister store trade will be considered after 30 days.
  - ✓ Multiple auctions including online and out of state auctions will be considered before selling off.

### After Measurements:

- ✓ At least 40 cars / month will be purchased from service drive.
- ✓ At least 10 cars / moth will be purchased from street buy.
- ✓ These cars will have at least \$2400 gross per unit.
- ✓ This will give us Positive gross of \$52800 / month and \$633600 /year
- ✓ Which will replace the negative gross of \$5092 / month

**Timeline:** What is your implementation date? Describe specific short-term and long-term checkpoints to monitor progress.

Implementation date: Nov 1, 2021

- ✓ Initial meetings with individuals to discuss (GSMs & SA): August 24, 2021
  - ✓ Present to Principal: August 25, 2021
  - ✓ Start preparing processes: August 30, 2021
  - ✓ Service advisor and GSM will be trained according to processes – October 9, 2021
  - ✓ Street buy signs will be installed – October 30, 2021
- Once implemented meetings will be conducted to ensure gradual progress.
    - ✓ Daily report will be shared for any acquisitions
    - ✓ Weekly meetings with GSMs and SAs will be conducted to monitor processes.
    - ✓ Numbers will be monitored in month end meetings and discussed

### **Meeting with Stakeholders (dealership personnel):**

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences, including timelines / accountability / process monitoring activity.

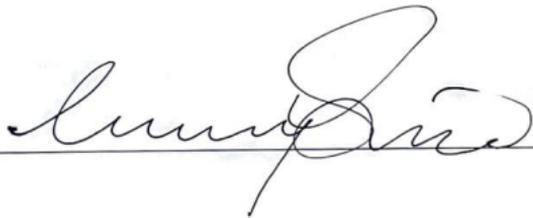
1. Who: GSMs , Service Advisors
2. What: Change way of approach, learn quality appraisal processes
3. By When: October 23, 2021
4. How: Meetings along with service director. Training from in house appraisal and used car specialist from head office.

**Dealer agreement:**

If you need your sponsors support or approval to implement your plan, have it signed off before you start. If you can proceed on your own, present this action plan to your sponsor before next class.

Describe the meeting: Spoke to Dealer principal and took his consent. He likes the idea and showed excitement to take this forward.

Signed by:

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be "L. J. Smith".