

Action plan #1 due 10/27/21

VARIABLE OPERATIONS 1 - PRE-OWNED

## ACTION PLAN

What will you do differently as a result of what you learned in this section?

Focus more on Net as a % of sales

Goal is to increase from 3.86% to 4.5%

What will be the benefits of making these changes? What will be the consequences if you don't do anything differently?

Will be more profitable as a dealership. Better pay for employees who are paid off of net profit. More liquidity to invest in better infrastructure at dealership. Better cash flow to purchase vehicle inventory - increase diversity of owner base by expanding pre-owned inventory options.

What obstacles might you encounter and how can you overcome them?

In cutting expenses there may be challenges finding alternate means of advertising that are more cost-friendly or even free. Limiting bonuses and spiffs may create employee dissatisfaction. Overcome this by consistent training to hold gross profit - higher commissions paid per deal

Identify your first few steps and the people who can help you with them.

Take a look @ expenses and trim the fat - All dept. Mgrs.

Turn inventory faster by keeping a close eye on market conditions. Pay less in floorplan interest. - Sales Mgr.

Used Car recon items - properly account for these during appraisals  
Limit Bonuses and spiffs to control payplan expense.

Start Date: 11-1-21

Completion Date: 5-31-22