

NADA HOMEWORK ACTION PLAN

Name Robert Hutson III Class # 383B VO1

Dealership Robert Hutson Ford Lincoln, Inc. Date 01/08/22

Current Situation or Challenge to be Addressed:	Low Pre-Owned Inventory Turn Rate.	
Current Performance Level (include specific measure):	Current Average of 3.8 Turns Annually	
Goal (what do you want to achieve?)	I want to increase our Turn to a minimum of 6-8 Turns Annually	
Goal Performance Level (include specific measure)	We must Turn Pre-Owned Inventory every 45-60 Days	
Goal Start Date:	02/01/22	Goal End Date:
First Check-in Date:	02/08/22	Performance Objective:
Second Check-in Date:	Use 02/22/22	Performance Objective:
Third Check-in Date:	03/01/22	Performance Objective:
Fourth Check-in Date:	03/15/22	Performance Objective:
How does your goal align with the dealers' vision?	Goal aligns with dealers vision of bolstering used vehicle department & net profit while reducing wholesale losses.	
What are the potential benefits of achieving your goal?	Benefits of achieving a Pre-Owned Inventory Turn of 6 would create a Total Variance of \$1,405,517 in gross profit from what is currently being produced. A turn of 8 would create a Total Variance of \$1,847,022 in gross profit from what is currently being produced. These numbers do not reflect a reduction in wholesale losses incurred so profitability could be even higher in a normal environment.	
What are the potential consequences if you don't achieve your goal?	<p>The potential consequences of not achieving this goal are very evident.</p> <ol style="list-style-type: none"> 1.) Lots of aged inventory which leads to break even or lost profitability 2.) Lost Opportunity of huge upside potential to profitability through Turn which generates profit in 	

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

	all areas of the dealership from service & parts, F&I, & the general fee structure tied to retailing vehicles
Why is the goal important to you?	Improving this area of the dealership could be the largest opportunity available to our store currently. Driving the Turn higher in the PO dept. will have a substantial impact on the profitability & sustainability of our store.
Potential Obstacles	Lack of Buy In by Personnel, Erratic Market Fluctuations, Short supply of in demand vehicles, Lack of staff to meet Recon Goals
Potential Solutions	Tie Pay Plans to Inventory Turn & Recon Guidelines, Broaden our sourcing places to include more online tools/sites in order to find the needed in demand vehicles
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	\$1,405,517 - \$1,847,022 in additional Gross Dollars above what we are currently doing now! HUGE Opportunity!

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
Wholesale Vehicles Identified & Sent to Auction or Sale Sites	Inventory Reports, Online Tools & Sites Firm Aging Policy	Used Car Mgr. & Sales Mgrs.	Reduction of non retail units & aged inventor	02/01/22 Start Weekly Check Points 12/31/22 - Indefinite
Create Pricing Strategy & Get all Inventory Priced Close or To Market & Adjust Weekly	Online tools such as Vauto to develop market based pricing Firm Aging Policy	Used Car Mgr. & Internet Mgr	Increased SRP's & VDP's, Increases Sales	Same

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Local Market In Demand Vehicle Identification & Acquisition	DMV Reg's, Polk/IHS Markit Reports, AutoTrader Scarcity,, Vauto Competitive Set	Used Car & Internet Mgrs.	Acquisition & Stocking of In Demand Vehicles will Increase Opportunities & Turn	Same
Recon Time Tracked & Reduced	Tie Recon Time to Line to Pay Plans in Svc & Detail	Used Car & Svc Mgrs	Vehicles Retail Ready and on the lot w/in 3 days allows that vehicle to sell quicker at a more advantageous price than later	Same

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.

Weekly Check Points may sound a little aggressive but it is certainly doable, especially until the processes have been developed, fine tuned, and monitored for performance. I believe it will require a lot of oversight in order to reach our new turn goals. Once the process is going smoothly and the goals are being met we could potentially move the check points to every two weeks in certain areas & then monitor progress & production from there. The only way to ensure that we do not back slide will be to tie pay plans to performance & maintaining the standard of performance that we now expect.

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

Planning, coordination, and implementation of the above goals will not only require meetings among those that are listed as accountable above but also with the rest of the sales staff in order to achieve "buy in" from them. Sales staff must be aware of new price to market procedures, how & when prices will be adjusted, & the firm aging policy being instituted.

Sponsor Signature: RHIII