

Departmental Action Plan

Student Name: Jeremy Robson

Class & Student Number: 326-10

Academy Week: 4

Current situation or challenge you want to address:

Pricing of Used has been done the old way with the thought that if we price it high and hope that we will make more Gross. With the Market we are in today this no longer works. We will have to adjust our pricing to be relevant I the market. We were repricing two times a month if our used car manager didn't get too busy. One big challenge we have is getting inventory up to Alaska and being able to price to market. We have a difficult time purchasing vehicles at the auction and adding shipping, packs and Recon we end up losing money on a deal. We mostly have to rely on what we can get in state to avoid the shipping.

Overall Objective and Specific Desired Results:

Our Objective is to increase Used Sales and to reduce our aging vehicles by having them sold before we have an aging problem. I want this to happen over 2 months.

Describe your action plan in detail (be specific and include before and after measurements)

We will be pricing our vehicles to market and checking this daily to make sure that we are at or under market. This pricing takes constant adjustments and will be changed daily to insure that we are relevant in the market with our inventory. We will be decreasing our pricing as a vehicle ages to make sure that we under market as the

vehicle ages. Our goal will be a hard 70 day turn so if a vehicle gets to that 70 days it will be moved to another store in the group or to auction. We put this into effect 12-1-17. Comparing to last December we sold 50 units at \$1077 a copy. This December we sold 68 units at \$1248 a copy. We saw an immediate increase on online traffic and our gross went up \$171 a copy from previous year. We were also up over November which is historically a higher volume month than December 19% and \$347 a copy. We will continue to monitor on a daily basis and make this part of our daily routine.

Timeline: Describe specific short term and long term checkpoints to monitor progress

We will be checking this Daily, weekly and monthly. I will be looking at our monthly production to make sure we are increasing our production year over year and if not are we adhering to our pricing? or is there another problem.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: Charlie Martin, Steve Dehart
- b. What: I had several discussions about how we were going to price our used inventory moving forward. There was initial push back on that we would be losing gross. I reassured them that if we didn't move the

needle by doing it this way I would consider another option but what we are doing now will not work. Charlie will be responsible for monitoring the inventory daily and changing prices as needed. It was made very clear to both of my managers we will not have a vehicle on our lot priced with the hope to make a huge gross we will price them all to market and to sell. I will be inspecting the pricing weekly and if I find a vehicle that is priced wrong and there is not a valid reason for it i.e. special vehicle, lifted etc. we will have a discussion about it and if it continues we will have corrective action.

- c. By When: We will start new pricing 12-1-17
- d. How: We will start with going through our inventory using inventory plus and changing the pricing to be inline or under market. And repeat this daily.

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:

I met with my sponsor and explained what we were doing and how we were going to do it. ~~We spoke about what we would achieve as far gross and units and he asked to keep him in the loop and let him know our progress.~~