

New Vehicle Department **Action Plan**

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Academy Week: (Variable II)

Current situation or challenge you want to address:

We have several issues that I feel (from my limited Variable experience) all stem from the same source, lack of proper management. We had a great sales month in May and June due to a hail storm in our area. Selling became easy as people were swarming the lot looking for a great deal. We turned our entire inventory in a little over a month and a half. When that was over, sales became tough. Salespeople were fat and happy with their huge commission checks and weren't real excited about having to work for a sale because they didn't need the money. This led to management frustration and lashing out on the employees. Since those months, we have lost most of the sales floor, sales are down from the point they were before the storm, and we seem to have forgotten how to make gross on the deals we have. Management all the sudden does not have the ability to hire salespeople and we are extremely understaffed. The sales floor is dysfunctional!

Overall Objective and Specific Desired Results:

The objective is simple: Increase sales, gross profit and employee morale. The process needed to accomplish this will not be so easy. We must change the thinking of both the salespeople and management staff, reminding them that they have proven they can win. Negativity must be squashed and replaced with the true vision of the dealership. Management must be the leaders instead of

being part of the problem. We need to build our sales staff up again and constantly work individually with each salesperson to ensure that they see and understand the vision and goals of the dealership. We need a management staff that is willing to put in the hours of hard work it will take to accomplish this. The brand we sell is moving in a positive direction. They posted their 5th consecutive year-over-year increase in sales this year. If we get our infrastructure squared away, the dealership will certainly experience the benefits of this upward movement from the manufacturer.

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

- 1) The search has begun for a new GSM. Control must be taken back starting at the top.
 - a. Will monitor his/her ability to rally the sales floor and hire new people.
 - b. Will monitor volume and profit numbers for improvement.
 - c. Will require an Action Plan from new GSM once they have had the opportunity to get a proper feel of our current situation.
- 2) Evaluate the remainder of the Sales Management team.
 - a. Ability to adapt to new GSM's procedures.
 - b. Can they help grow the business or do they remain engaged in negative conversations with the sales staff?
 - c. Do we need the number of managers that we currently have?
- 3) Accountability
 - a. Require all forms of reporting be kept up to date daily to monitor improvements.
 - b. Have meetings as often as necessary to discuss individual deals whose numbers did not meet the goals set forth by the GM & GSM. Is it a problem with our processes or possibly an individual?
 - c. Install electronic boards (TV's) in breakrooms so all salespeople will have real-time updates on their progress. All reports from (a) will be shown on the status boards. (Will eventually have all departments (Parts, Service and Sales) reports on these status boards for overall dealership buy-in to the vision).

Timeline:

Below is a preliminary timeline as I see necessary (based on my limited knowledge of the Variable side of the business). This will more than likely change a bit once the new GSM is in place and his/her input is factored in. The process should become much clearer to all involved once this hiring decision is made.

<u>Task</u>	<u>Who</u>	<u>Completion</u>
Search for new GSM 1/01/18	GM	
Goals /Guidelines /Expectations 1/08/18	GM, GSM, Sales Managers	
Meeting with Salespeople 1/13/18	GSM, Sales Managers	
Increase and upgrade Sales team Constantly	GSM	
Monitor sales and gross numbers Constantly	GM, GSM, Sales Managers	
Progress Meetings Weekly	All Managers	
Training with Salespeople Daily	GSM, Sales Managers	

Meeting with Stakeholders (dealership personnel):

The “Who, What, When and How” is covered in the timeline above. The direction we need to go in will obviously be a large part of the interview process in the search for the new GSM. The ownership team must do a great job of painting the picture for the new person and try to get a good feel of this person’s abilities to lead and establish a cohesive environment on the sales floor. A lot of the ideas and plans mentioned above could possibly be handled differently if the new GSM has some different approaches in mind. One thing is for sure, we must all do a better job of staying on top of these and other issues before they get to the point they are now. This store has a history of success and resilience and I know that we will get there again. We must achieve 100% buy-in from the sales floor to get back to that point again, this is a fact!

Dealer agreement:

As a partner in this store, the owner and myself have had numerous discussions on this topic. He agrees that leadership on the floor is the primary issue and most of the problems we are experiencing will be corrected with the right person in place. We have some differences in our thoughts on the steps needed to get there quickly. I have been in Fixed Operations most of my career and only started learning the “ins” and “outs” of the Variable side after I became a partner of his. I will defer to him but continue to have input on the situation.
