



Financial Management Objective Homework

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I plan to accomplish the following objective our next class on: January 22, 2018 **by**

Provide the relevant composite data

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Action plan for achieving objective
<p>What is the area of focus?</p> <p>Our WIG at Saskatoon Motor Products needs to be on getting our New Vehicle Inventory Turns per year to a minimum of 8. Currently, for the month of October, we are only averaging 3.33 turns per year which is well below the industry standard of 8. We are not an average store and there is no need for us to be below, or even at, industry average. We believe that, without sacrificing our gross as a percentage of sales (current YTD avg of 6.78), we can increase our new vehicle department GROI from our current of 22.58% to, an above industry average, 54.24%. This will be achieved solely by turning more units quicker at the same or above profits levels. The only way to achieve this is with better training of our new sales hires and re-training of our current sales staff to ensure best practices in sales.</p>
<p>What is the proposed plan? How will you achieve it?</p> <p>Our plan is to focus our efforts into getting our sales people, managers, and BDC trained into a team of industry leaders. We have always had a laser focus towards our appointment culture but we have not properly equipped everyone involved in that culture to be successful. Our training plan will encompass all areas of selling from attitude and time management to product knowledge and closing . We have never had a set training plan in the past so this will be a large and time-consuming undertaking.</p>

The other plan, which ties in perfectly with properly trained staff, is going to be having right inventory in stock. We currently have only 40 cars in stock that have an average price of \$28,189.68. This is a high value based on the fact that 80% of the cars we sell are the Chevrolet Cruze, which has an average selling price of \$24,000. We are a heavily truck focused market and, with 238 currently in stock, we need to make sure that we have in stock what is selling in our market. We currently have 171 out of our 278 units that are over 60 days old. We have never tracked any of these metrics before so it will interesting to build and refine a process of doing so.

How will you track your progress? What measurements, KPI's? How often will you track?

Our progress is going to be tracked using a spreadsheet showing what our current turns are per year. It will also show what units have been in stock for how long so that we are able to fine tune what our stock needs are in the NCD(what we have too much/little of, what option packages are working/not working, what the average sale price is compared to stock price, etc). We will be tracking in live-time and will keep checking our progress weekly at our Monday management quick meetings.

Who are the employees that will be involved, or impacted? Will they require training or assistance?

The entire variable department at SMP will be involved. Here is a breakdown of each:

Gord Mansfield (General Manager 5 years) - Gord currently orders our new inventory and will implement a process of tracking what is selling versus what we currently have in stock. This is as simple as tracking the invoice of sold units, seeing how long it was in stock, and if there is a need for another like it in inventory. Gord is our mentor and his actions speak much louder than his words. He has committed to helping train our staff.(Training plan explained below)

Rick Correia (Sales Manager/Finance Director 15 years) - Rick is aware that there is going to be a large focus on new car turns from now on. He is committed to working with our pre-owned managers to make sure we are putting the right numbers on any customer trades and that customers who leave the store without buying, leave with the best numbers they will find anywhere.

Brandon Snowsell (Sales Manager 2 years) - Brandon is great with customers and is committed to trying to meet every one of them that comes into our store. He is new to sales management but has been with SMP previously, knowing our process and helping implement it. Brandon and I have set up a Saturday morning training session called the SMP Chairman's Club to help turn the 10 individuals involved into sales assassins. During our SWOT together, Brandon would like to see growth within SMP but lacks product knowledge and clear goal setting.

Tom Walker (Sales Manager 2 years) - Tom was promoted from BDC Manager to Sales Manager a few months ago and has been showing steady progress in his ability to lead a team. Tom is transitioning from his BDC role still and, once done,

he will be helping to train the staff. Tom was great with both the phone and e-mail aspects of the BDC. His responsibility will be to help train in those areas. During our SWOT, Tom has a lack of product knowledge and a fear of failure.

Corey Risling (Sales Manager 20 years) - Corey, although not involved in training, is likely the most valuable member of the management team. He has endless knowledge of both buying(trades or auction) and selling(Corey was a premiere salesperson at SMP for 10 years). He is going to play a large part in our NCD turns by helping put the right money into trade ins.

Dan Barrett (Sales 25 years) - Dan is by far the best salesperson that I have ever worked with. Along with his assistant, Autumn, they average around 40 units a month. Dan just needs to get management involved more often during the sale, not after the customer leaves. Doing this will, we believe, increase his volume by a minimum of 10 units per month. Dan is going to try desking deals with his managers(he currently desks his own). This will lead to a higher profit margin with more deals.

Randy Swistun (Sales 4 years) - Randy is well spoken, clean-cut, and likable. He is a senior salesperson here and also our CTE(Certified Technology Expert). Randy has fantastic product knowledge, great FAB presentations, and rapport building skills. Randy is a member of the SMP Chairman's Club. During his SWOT analysis with me, the weaknesses we uncovered were that Randy does not like making phone calls or following our sales process. We discussed this and Randy has committed to making himself better in these aspects. This will increase his current average of 12-15 units per month to over 20.

Jeff Brown (Sales 1 year) - Jeff is a fun-loving guy with a good attitude and positivity. He averages 6-8 units per month. From our SWOT, he knows that he needs to focus more on his product knowledge and product presentations. Jeff is not a particularly strong closer and believes the first no from customers too much. He is not able to cycle and handle objections well. He also calls in sick too many times. He is a member of the SMP Chairman's Club and has committed 10 weeks of Saturday mornings to getting better at the above.

Joel Warner (Sales 2 months) - Joel, at only 18 years of age, is very new to our team. He is a clean slate and a member of the SMP Chairman's Club. He is super eager and very likable. His commitment for 10 weeks is to work on all of his sales skills with our management team (calls, product knowledge/presentations, process, organization/time management, etc.) I think Joel has a bright future in the auto industry and we would like it to be at SMP.

Samantha Shynkaruk (Sales 2 years) - Sam is currently on maternity leave. She is a great people person and customers love her when they are buying a vehicle. She has terrible CSI, however, because she is very fond of the over promise/under deliver. Sam needs to work on not telling people whatever they want to hear to make the deal. She also needs to work on her product knowledge more. Sam's average units per month, with help, could go from 12 to 18.

Phillip Li (Sales 4 months) - Phil is a member of the SMP Chairman's club. He is

averaging 8 units per month currently. During our SWOT, we found that Phil needs to get stronger at booking appointments and not waiting for opportunities to come to the dealership. He sounds nervous on the phone but has committed to getting better. He is great at customer service but needs more drive to succeed.

Steve Maughan (Sales 4 months) – During Steve’s SWOT for the SMP Chairman’s Club, he needs help in the areas of time management, handling objections, and listening. Steve talks himself out of sales sometimes because he doesn’t stop talking. He is determined to make this career work. People like him because of his British accent. He is well travelled and able to build rapport well but his customers lose interest because of how long his sales process takes. Steve’s commitment is to speed up his sales process without watering it down.

Aaron Arganoza (Sales 2 months) – Aaron has only been in Canada for 5 months but had sold for Toyota in the Philippines. Aaron is great with customers and, in his first month, sold 8 units. His weaknesses are definitely our process at SMP and his time management. He also needs a lot of work on his product knowledge. His enthusiasm is winning right now but it can’t stay that way forever. Aaron is a member of the SMP Chairman’s Club and his 10 week commitment is to work with me on all sales-related skills. Saskatoon has a large Filipino population and Aaron will be a huge asset to making sure SMP is their #1 place to buy.

Matt Dunn (Sales 2 months) – Matt originally interviewed very well. Since then, he has shown no passion for the business and no willingness to learn. He is consistently late and offers very bad excuses. I am trying to work with him but he does not take direction well and always does things the way he wants to do them. He has only sold 1 unit in his 2 months here. I am determined to help him but he may not work out here.

Jami Allen-Mitchell (Sales 2 years) – Jami, originally Dan Barrett’s Sales Assistant, has been with SMP a total of 7 years. Jami is a likable people-person but does not handle adversity with customers well. She is quick to shut down if a customer is tough or rude. She has excellent product knowledge and phone skills. She average 11 units per month but could easily make that 13-14 by showing more control over her emotions.

Jilene Allen (Sales 3 years) – Jilene, Jami’s younger sister, was also a sales assistant for Dan Barrett. Together, they make up the “Sister Sales Team at SMP.” Jilene is a great closer. She does not let emotion get in her way and is always focused on the customer. She has great determination and drive. She needs to stay more focused on phone calls for appointments and she knows that. Jilene will, most likely, be my boss someday. She currently averages 14 units per month but can easily get that number to 18 with some more call training.

Imee Barrozo (Sales 1.5 years) – Imee is currently on maternity leave and will not be returning until 2019. She does a fantastic job of selling to the Filipino community but doesn’t fair too well when the customer isn’t. Imee needs a lot of help with overcoming objections, phone skills, product knowledge, and sales process. Despite this, she manages to sell 10 units per month. The reason being that she is not scared to follow up with customers, even if her phone skills aren’t

great.

Eben McCrea (Sales 5 years) – Eben, other than Dan, is our strongest closer at the dealership. He is never scared to present numbers to customers and always thinks he can close them. Eben averages 15 units per month but should be well into the 20's. His lack of focus at obtaining new customers and keeping in touch with past customers is what is stopping him from this. Eben likes to wait for new customers to show up at the dealership rather than mining his customer database for repeat and referral business. He does not listen to management and does not take any sort of constructive criticism well. He is rarely focused on work when not in front of a customer. He could be a great salesperson!! During his SWOT with me, Eben and I determined that the only thing holding him back is him. He has the skills but lacks the drive to succeed. He has made the 10 week initial commitment to the SMP Chairman's Club and, hopefully, he will find that drive.

Allen McCormick (Sales 8 years) – Allen considers himself a veteran of the sales floor and likes to tell newer salespeople what to do. The only issue is that, while he knows it really well, Allen does not follow our sales process at all. He is not a confident closer and is not good at handling objections. All of our managers have tried to work with him but he does not change. Allen is someone that will always sell 8-10 units per month.

SMP's 2018 AND BEYOND TRAINING PLAN:

New Hires(10 Day Intensive)

We have always found, as I'm sure many other dealers have, that it is very difficult to set up new sales hires for success. In the past they have been told to watch vehicle demonstration videos, read through the brochures, and drive a couple cars. After a few days or weeks, we throw them onto the sales floor and tell them to "Sell Cars." We then sit and moan about what a bad job they do and wonder why our dealership is not selling more. Below is a brief overview our new 10 day plan for new hires that we think will help get them started on the road to success.(This is still in development)

Day 1 – Intro to dealership staff and departments, introduction to Chevrolet and product lineup, Day 1 quiz must be completed by the start of Day 2.(Daily quizzes consists of general knowledge from what they have been told throughout the day)

Day 2 – Intro to sales process and call scripts. Implement why we do what we do and make sure they understand concepts. Day 2 quiz to be completed by the start of Day 3.

Day 3 – Test drive all models and learn test drive route. Learn test drive process, where the switchover point is, etc. Walkarounds in the showroom using FAB (feature, advantage, benefit), ties downs, and trial closing techniques. Day 3 quiz to be completed by start of day 4.

Day 4 – Practice and acting out SMP's guest sheet, UVBR (used vehicle buyer's report), cost of driving analysis sheet. Introduction to CRM and quick sheet of how

to use it. Instruction and tips on how to fill out all forms without it being an interview-style process. Practice, Practice, Practice. Day 4 quiz to be completed by the start of Day 5.

Day 5 – Shadowing a senior salesperson and taking notes. What did they learn and learn not to do? If you were in the customer’s shoes, would you have bought? Day 5 quiz to be completed before the start of Day 6.

Day 6 – Shadowing, FAB walkarounds, sales process review.

Day 7 – Salesperson can talk to one customer, making sure all sales steps are followed under the close watch of their direct manager. Review cost of driving sheets and phone scripts. Practice!! Day 7 quiz to be completed by the start of Day 8.

Day 8 – Salesperson makes 50 outbound phone calls to orphan sales customers using scripts given. Sales manager listens to majority of calls to make sure we can coach and correct. Take notes on the phone calls. Which ones were good and bad? If you were the customer, would you come in to see what we have to offer? Can talk to one live customer if time permits.

Day 9 – 50 phone calls to service leads with script provided. Why are they so important? Can talk to one live customer. Day 9 written take home test. Must score 80% or higher.

Day 10 – If Day 9 test score is 80% or higher, they are ready to go with management coaching. If not, we either go back to day 5 or let them go.

Weekly Training For Sales Staff and Sales Management:

Monday:

8:30 a.m. Sales Meeting

- Product knowledge Kahoot on one specific Chevrolet model, dealership process, etc!! The loser determines who will do Friday morning’s product demonstration in front of all sales staff and managers.

Tuesday, Wednesday, Thursday

- Must complete 1 session of Power Phone Ups training.(This takes roughly half an hour) Must also follow through using the training while making and receiving customer calls. You never know when your call will be listened to in a sales meeting.
- Must complete a Top Ten list of things that you learnt from Grant Cardone online academy and send to the General Manager before the Friday morning sales meeting. (F&I spiffs are paid out to salespeople based on this being/not being done.

Friday

8:30 a.m. Sales Meeting

- Review some of the best things learned from the above mentioned Top Ten lists that were handed in. Why are they so important? What did we learn from them? Group discussion.
- Watch 1 session of JVTN (Joe Verde) and follow along in our work books. Group discussion on what we learned and how to put it into action effectively.
- Salesperson with the lowest Kahoot score from Monday morning meeting will do a FAB product demonstration, with tie downs, on the specific model that they scored low on.

Saturday

8:30 a.m. SMP Chairman’s Club

- Based on the salespeople’s SWOT’s, we determined what 10 areas of help are most needed throughout our 7 participants. Each week, we will offer guidance and have a group discussion and role-playing based on one of these topics. (Week 1 – Rapport Building, Week 2 – Attitude, Week 3 – Time Management, Week 4 – Sales and Dealership Process, Week 5 – Product Knowledge, Week 6 – Phone Skills, Week 7 – Handling Objections/Closing, Week 8 – Goal Setting.)
- These salespeople, as it was made know at the outset of the program, will be responsible for handling any “house deals” that come into the dealership from management.
- The Chairman’s Club participants committed to 10 weeks of Saturday mornings but it doesn’t stop there. We will all read one sales-related book per month (as a group), with one volunteer doing a 10 minute presentation on that book the last Saturday of the month.
- Our goal is to get 4 of our salespeople in AutoCanada’s Chairmans Club which is the top 30 salespeople throughout our 65 stores in Canada.

Using the game plan above, we will succeed in our WILDLY IMPORTANT GOAL of getting our New Vehicle Department turning our inventory more often, making sure we are above industry average.

Is there a cost, or estimated cost for implementation?

There will be no costs involved to implement the above strategies. All related training tools were already available to us, we just were not using them. With a committed management and sales team that now have a clear path and goal, we will now be using all these tools to their fullest.

Projected date of completion?

All training policies and commitments are now in place as of the time if this writing. It was a lot of work but, after seeing the benefits, all involved saw the importance of implementing a strong game plan as soon as possible. I think it will take 6 months for us to see total buy-in from staff and a year until we see direct results from it.

Jan. 22/2018	Feb.	March	April	May	June
All training/measure					

ments in place					
July	Aug.	Sept.	Oct.	Nov.	Dec. 31/2018 Be at our WIG!!!