

## Departmental Action Plan Template

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Variable Operations 2 - New

### **Current Situation Or Challenge You Want To Address**

Preowned inventory aging due to amount of factory incentives on new cars paid to salespeople. This is also creating wholesale losses.

### **Overall Objective and Specific Desired Results**

Reduce the disparity between Mitsubishi Factory incentive and average preowned sales commission.

### **Action Plan**

Implement "Used Car Hit List"

Preowned disposition Manager "Phil" will walk the inventory weekly. Phil will provide wholesale auction data via V-Auto utilizing MMR, Black Book and NADA pricing guides. Once determined add \$500 to the cost which will be paid to the sales person who delivers the unit in the following week if sold at or above pre-determined "hit List" price. This will encourage sales personal to sell pre-owned units off the "hit list" that will pay them approximately the same as a new vehicle sale. Then this will help us reduce our wholesale loss.

I have attached an example of the "Hit List" and a copy of our Used Car Operation Policy that we have put into place for all three of our locations.

### **Timeline**

"Hit List" is updated every Monday

### **Meeting With Stakeholders**

After Preowned Disposition Manager walks the inventory and updates V-Auto, he will e-mail all Sales Managers at all three locations. Then on Monday afternoons at 2:00 there is a conference call with all available Sales Managers, Preowned disposition manager, and Don Herring (dealer principal) to discuss all pricing. Once everyone has agreed to pricing there is a spreadsheet e-mailed out to all managers and sales people are updated.