

Departmental Action Plan & SWOT

Pre-Owned F&I Product Penetration

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Class & Student Number: Asbury A05

Academy Week (Var II): Week 5

Current situation or challenge you want to address: (must be quantifiable)

Pre-Owned F&I Products per Retail unit sold are an opportunity for our dealership. Our current products sold per retail unit is at 1.2.

Overall Objective and **Specific** Desired Results:

Our goal for PO F&I PPR is to be at 1.5 by June 30th and remain above 1.5 going forward. Hitting this target will generate an additional \$46,000 per month in net profit.

SWOT ANALYSIS:

STRENGTHS:

- Tenured sales staff with deep knowledge
- High end luxury brand
- High percentage of repeat clients
- Strong rapidly growing market

WEAKNESSES:

- SEM mentality of units sold vs products sold
- Fear/lack of confidence in presenting menu
- Lack of proper word tracks & knowledge of products among SEM

OPPORTUNITIES:

- Clients are unaware of the value of products and the amount of potential savings for costly repairs.
- Vehicle demand and desire for long term ownership is at an all-time high. The potential for products that take care of that investment is at an all-time high.
- Leveraging our reputation as a luxury service provider.
- Create additional value for our clients.

THREATS:

- Customer expectations are increasing as we come out of COVID
- All industries are aggressively recruiting our employees, failure to retain our SEM's could create a potential loss of knowledge among staff.

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

The PO manager's will take a baseline measurement for each SEM on April 1st. Our PO managers will then begin ensuring that our SEM's have the proper tools in place to achieve the desired outcome. They will verify that SEM's have iPad's with the menu available for presentation. They will ensure that the SEM's are trained in the presentation of products. They will then review individual SEM performance weekly and coach/train those that are below target of 1.5. For those below target they will role play weekly to ensure that they are following the process and presenting the products correctly. Additionally SEM's below target will attend weekly training with the F&I director, on Tuesday's at 10:00am in the Director's office, to develop word tracks and selling techniques. For SEM's that continue to have difficulty, the PO managers will participate with them in a tandem close so the SEM can learn first-hand the correct techniques for product presentation.

Timeline:

The goal will be to incrementally improve this metric using the following timelines. The PO manager's will also have the option to incentivize SEM's to hit these targets moving forward.

April 30, 2022 – 1.3 PPR

May 31, 2022 – 1.4 PPR

June 30, 2022- 1.5 PPR

July 1st – Ongoing – 1.5+ PPR

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal.

Address required coaching, training and/or consequences (PINO, Gain, Pain). Include timelines / Accountability / Monitoring process

- a. **Who:** PO managers will meet with GM weekly to update him/her on the progression of the plan.
- b. **What:** The agenda will consist of actions taken with individual SEM's, progression of action plan, and update on current performance levels.
- c. **By When:** This meeting will take place weekly.
- d. **How:** GM will make recommendations to PO managers and if necessary meet with individual SEM's to ensure they are properly trained, have the tools to succeed and ensure they are following the process. The primary goal of the GM interaction will be to encourage SEM's to achieve the targets and provide additional coaching/mentoring. The long term strategic goal is to have SEM's thinking not only about units sold, but "how many products I have out" as well.

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:

This plan was presented to our Pre-Owned Director and his management team. They received it well and I feel confident they will implement the plan to ensure they hit this target.

