



HOMWORK ACTION PLAN

S SPECIFIC **M** MEASURABLE **A** ACHIEVABLE **R** RELEVANT **T** TIME-BOUND

Name Spencer Paul Class # N389
 Dealership Mercedes-Benz of Fresno Date 3/25/2022 1/1/2021

Current Situation or Challenge to be Addressed:	We are currently sitting at an average turn rate of 4.8 turns per year for our pre-owned operation.		
Current Performance Level (include specific measure):	Currently we are sitting at 4.8 turns per year and this needs to be addressed. We are far below guide, and are not running as efficiently as we could be. Although we are profitable, this doesn't necessarily mean we are efficient.		
Goal (what do you want to achieve?)	I would like to get up to a turn rate of about 8. Although this would mean we would have to nearly double where we are currently, I believe it can be done.		
Goal Performance Level (include specific measure)	We will have to start by looking at a few metrics to help us out. 1st, we must implement a hard turn rate for our department (75 days). We currently do not have a structure in regard to this, and I feel that once we implement this we will see a change immediately in our number. Secondly, we need to implement a pricing matrix into our business plan. We currently do not have one and this needs to be in place to create structure in our department. By just addressing both of these items, I truly believe we will be in a position of strength. Thirdly, I want to be able to get to a position of pricing our vehicles to market after 30 days. Currently we are pricing from a position of weakness on our used. We need to be able to price according to market and not from a position of "how much will we lose on this one" mentality.		
Goal Start Date:	4/4/2022	Goal End Date:	7/4/2022
First Check-in Date:	4/8/2022	Performance Objective:	We want to be able to look back on just a few days to see if we have any adjustments or new leads on pricing that has been adjusted.
Second Check-in Date:	4/11/2022	Performance Objective:	Check where we are in terms of wholesaling off of units that are above 75 days.

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Third Check-in Date:	4/30/2022	Performance Objective:	By this time I am hoping to have homes for aged inventory, and a pricing metric in place for our inventory.
Fourth Check-in Date:	5/9/2022	Performance Objective:	By this time we should have a ease of flow in process. We should be pricing vehicles in accordance to market and turning out on day 75.
How does your goal align with the dealers' vision?	This list of goals aligns with pur dealerships vision for a few reasons. The first of which being that we are already profitable in our current process. What this will help us do is be more efficient in other areas. We also pride ourselves on having quality vehicles, and I feel this will help in that vison to continue to provide that.		
What are the potential benefits of achieving your goal?	Once implemented we will not only build morale amongst the staff, but we will also see higher gross profits. Even by taking a smaller front end deal, we will be hoping turn at a much faster rate and be able to generate more profit. Our service department will also benefit from this as they will see more recon on vehicles. Another benefit we will see by implemnting change would be a more structed process for the management staff. Our used car manager will have more confidence in his ability to turn out of a vehicle instead letting it hang around for 90+ days. We will also have our pricing metric in place that will help us from the day we decide to retail a vehicle.		
What are the potential consequences if you don't achieve your goal?	The only consequence we will face from not getting on board with these changes will be staying stagnant in the market. As we all know, times have been good to us, but knowing that a potential correction is on its way, we need to be on the offense for it. If we can implement these processes now, I feel it will pay dividends in the future. Another issue we will potential face will be more losses. Although our daily holding cost per unit is low (\$43 per day), we still do not want to run into an aging problem with vehicles.		
Why is the goal important to you?	This goal is important to me for a few reasons. The first being that I am a new car sales manager for our group, but I see such mass potential for this department to grow and I cant wait to help. We need to pay further attention to not only merchandising online, but also making sure when we are appraising vehicles and buying at auction we are referncing market days supply. It is important for me to help in this reagrd.		

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Potential Obstacles	Potential obstacles I will face are easy to identify. Being I am the new car sales manager for our store, I know I will have push back from our existing used car team on new ideas. I am hopeful I can take what I learned this week and layout an achievable plan for our used vehicle team to help them buy in to the new way we need to run their department. We will also see issues with the implementation of our hard turn. Ideally I would like to be at 60 day turn (per pollack) but I feel 75 days will help us get the ball rolling.
Potential Solutions	After I am able to put together a proposal for our used vehicle team, I feel I will be able to move forward with the new practices we will need to move forward. Again, we are currently profitable - so this would not be a meeting of "we are in the red". This is a meeting of we could always be better and here's the math to back it up.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Based off of our projections for helping our turn rate, we will have a variance of 1.3m for the year. We are currently at a front end gross of \$1562 PUVR and I am estimating a loss of about 20% on the front once new processes are in place. Estimating that we are going to make \$1250 PUVR we will still have the variance of \$1.3m. Because we are currently making F&I gross PUVR of \$4450, I feel that even if we lose 30% front end gross, we will still be more profitable.

What specific actions or steps will you take to accomplish your goal? What will you do differently or improve? For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
Price matrix	Internally built and lived by	Desk managers	That we will desk deals according to market and not according to cost	Start date should be immediate.
Days supply	Vauto	Desk managers	While appraising trades, we want to reference this while coming up with ACV.	Start date should be immediate

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Cost to market	Vauto	Armando Keith	Making sure that once our new pklan has been implemented, we are pricing to market after 30 days in inventory	04/04/2022 is when im hopeful this will start
Hard Turn	Vauto/Elead	Desk manager Armando	The expected result here is to ensure that we are turning out of aged inventory at 75 days. NO aged.	4/4/2022 is when I am hopeful this will start
Online merchandising	Dealer.com Vauto photographer	Armando	Description accuracy and up to date photos	This should start immediately
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

As you work toward your goal, it's important to have interim check points with specific, measurable objectives so your team can hold themselves accountable. If everyone knows the goal and objectives, you don't have to spend your valuable time micromanaging.

Once you've accomplished your goal, added or adjusted policies, procedures, and behaviors, now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

Once our goals are implemented and all staff is on board, we have to create accountability. In my opinion, the only way to do this is to make it my employees own. Meaning, If its their idea - they will hold themselves more accountable than if it were justa task given to them. We will be adding topics to our weekly meetings and making sure

Describe any planning or implementation meetings conducted as part of development of your plan.

Click or tap here to enter text.



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Sponsor Signature: _____