



HOMEWORK ACTION PLAN

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

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| Name <u>Alex Hamadi</u> | Class # <u>NADA 394</u> |
| Dealership <u>Crown Dodge</u> | Date <u>6/20/2022</u> |

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|---|---|------------------------|--|
| Current Situation or Challenge to be Addressed: | Appraising vehicles with incorrect recon an packs and then being in the cars to heavy. Not looking at the vehicle based on VAuto Profit Time to determine the strategy from day 1. | | |
| Current Performance Level (include specific measure): | Current pricing strategy is using \$2500 default for recon/packs and 3k profit and using day supply percentage to detrmine retail price. Retail price less (\$2,500 recon/pack) less (\$3k profit) equals ACV. | | |
| Goal (what do you want to achieve?) | Have the recon and packs closer to the right number so we can be in the vehicle right and follow the pricing strategy setup in Vauto Profit Time. Have recon items with prices so appriaser can click off what is needed to make the vehicle frontline ready. | | |
| Goal Performance Level (include specific measure) | Lower aging inventory and increase our turn ratio Current aging report 28% over 60 days Goal less then 5% Current Turn Ratio 6.8 Goal 9 times | | |
| Goal Start Date: | 6/13/2022 | Goal End Date: | 8/5/2022 |
| First Check-in Date: | 6/20/2022 | Performance Objective: | Get Vauto Profit time and train appraisers how to use it |
| Second Check-in Date: | 6/24/2022 | Performance Objective: | Verify all appraisals are following pricing strategy |
| Third Check-in Date: | 7/8/2022 | Performance Objective: | Verify with June statement we are lowering aging inventory and increasing turn ratio |
| Fourth Check-in Date: | 8/5/2022 | Performance Objective: | Verify with July statement we are lowering aging inventory and increasing turn ratio |
| How does your goal align with the dealers' vision? | Increase profitability without increasing expenses | | |

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| What are the potential benefits of achieving your goal? | Increase in gross per unit, GROI from 71 to 95. Decrease in daily cost to sell a vehicle and days to breakeven. |
| What are the potential consequences if you don't achieve your goal? | Aging inventory, lower gross profit, daily cost to sell a vehicle goes up, GROI goes down |
| Why is the goal important to you? | Our Used Car Department needs to increase profitability to get the dealership in 100% total absorption |
| Potential Obstacles | Not following the pricing strategy, appraising vehicles to make car deals |
| Potential Solutions | Daily review of all prior day appraisal and constant training on improving appraisal process |
| BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars) | This will bring in \$33,210 in monthly gross profit. The total in additional income would be \$68,740. The total amount monthly gross would be \$101,950, for a \$1,223,400 yearly increase. |

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 |
|---|---|----------------------------|---|---|
| Bring in Profit Time to VAuto | Schedule time for VAuto to go over Profit time and price to add it to our VAuto | Joe Talosi | Have all our inventory priced right based on how the vehicle is desired in the market place | 6/13/22 appt set with Vauto 6/16-6/17 training 6/17 installed and using |
| Get artwork for "Just Arrived" for fresh units without photos | Get with website vendors to see if they can build template | Joe Talosi, Paul Mills | Lets consumers know that this is a fresh unit and photos to come | 6/20/22 start 6/25/22 check in 7/1 installed |
| Get 1 more Tech for used cars/ | Need Service Manager to either | Service Manager Mike Teron | Faster turn around better | 6/13/22 meet with service manager |

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|--|--|----------------------------------|---|---|
| lower days in service to 72 hours | hire or rearrange staff to cover used car dept | | chance to sell vehicle faster lower my aging | 6/15 moved 1 tech to used car recon completed |
| Train Appraisers on VAuto Profit Time | One on One training with appraisers | Joe Talosi | Better appriasals with game plan on day 1 | 6/17/22 |
| Daily Price adjustments based on market conditions | VAuto Profit Time Pricing Alignment | Joe Talosi | All pricing is following our pricing strategy | 6/20/2022 |
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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.

I look at all appraisals and set pricing for each car, when the appraisal is not correct I will either adjust the appraisal or wholesale the car

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

Since we started 4 days ago with VAuto Profit Time we are going through daily training so each appraiser understand how to use the program.

Sponsor Signature: _____