

Departmental Action Plan Template

Student Name: Sandy Lapin

Class & Student Number: N325-36

Academy Week (Var II): #5

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

(Homework modules assigned)

The current situation I would like to address is Sales Consultant turnover and retention.

Overall Objective and Specific Desired Results:

My objective is to do a better job of hiring quality employees in the first place and to grow our current employees to make them want to stay longer in order to slow down Sales Consultant turnover and increase employee retention.

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

First item to tackle would be hiring better, quality employees. It is not an easy task to make sure an individual is right for the car industry, let alone car sales. So, I am going to meet with my managers to help them attempt to hire better employees from the start. This will require a uniform process that the managers will follow to get a better understanding of the potential new hire. We will train on this ourselves to make sure we are all on the same page as to what type of candidate we are looking for.

Next element we need to address is the employee turnover. The plan to remedy this is to train from the moment a new employee is hired and never let up. The more training the better the sales people we will have. If we have strong sales people then they will be happier because the environment will be fun and everyone will be making money.

Last component on the list would be to hold everyone accountable, from the top down. If my managers are not holding the sales people accountable and training with them every day, nothing will change and will not grow for the future. They need to set goals with each individual and make sure they are striving for these goals. You can't manage what you don't

measure. What we do today effect what happens tomorrow. I will be ingraining this into their psyche. It all starts with me. I have to hold my managers accountable and make sure they are doing what we are saying and buy into this new process.

Average Month Total Sales Gross ÷ Total Sales Personnel = Gross per Employee/Month				
<u>\$38,485.42</u>	÷	<u>19</u>	=	<u>\$2,025.55</u>

Average sales consultant's annual salary		<u>\$54,017.78</u>
Turn over cost (50%)		<u>\$27,008.89</u>
Number of sales consultants replaced in 2017	X	<u>9</u>
Total yearly cost of sales consultant turnover	=	<u>\$243,080.01</u>

Average Gross per Sales Employee/Month		<u>\$2,025.55</u>
	X	
7.5% Reduction in Sales Gross Profit	=	<u>\$151.92</u>
	X	
Number of Sales Employees		<u>19</u>
	=	
Monthly Reduction in Sales Gross Profit		<u>\$2,886.48</u>

Unfortunately there is a hefty cost due to employee turnover. We had almost a quarter of a million dollars in lose because of sales consultants leaving. This is the impetus for making sure we have the right people for the job and are well trained.

Timeline:

Describe specific short term and long term checkpoints to monitor progress.

This will be an ongoing process. The short term checkpoint would be one month intervals, from first hire date, with each new sales person to make sure they are progressing

in our new management and training style. The long term checkpoints would consist of yearly intervals monitoring progress over the year and to make sure goals are being reached for each salesperson. At the end of the year we will hopefully confirm that less employees were hired, fired or left the company.

Meeting with Stakeholders (dealership personnel):

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences (PINO, Gain, and Pain). Include Timelines/Accountability/Monitoring process.

- a. **Who:** I need to meet with my manager every day to confirm they are following through with the prescribed regiment. Sales managers need to keep up the same routine every day without fail, if they don't the process is essential set back to zero. Sales associates will need to be held accountable for everything that needs to be done. If we can get this implemented and followed all the time the sales people will start to realize the benefit to what we are preaching.
- b. **What:** The overall objective is to reduce sales employee turnover.
- c. **By When:** 12/31/2018, with the first check point at 6/01/2018
- d. **How:** By implementing better hiring processes, training sales associates on a continuous bases and holding everyone accountable with setting goals.

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:

The owner is completely on board with this approach to changing the way we handle new sales people and the sales personnel we currently have. He said as long as we can adhere to this it will be good. His big focus is that I hold my people accountable otherwise everything will stay the same. As long as I have buy in from all of my managers, which I do now since letting our GSM go, this plan will be successful. We will have less turn over, sell more cars and hold more gross. I'm looking forward to see the results at the end of the year.
