

Departmental Action Plan

Student Name: Clyde Pough

Class & Student Number: N327-15

Academy Week: 4 Variable Ops 1 Pre Owned

Current situation or challenge you want to address:

We currently don't have a dedicated used car Manager so that will be my number one priority. I will assign a used car manager to oversee all of our preowned inventory daily. We also need to increase our Preowned inventory turn and manage our pricing strategy better. But in doing all of that we can't lose focus on keeping our Gross % of sales up close to guide.

Overall Objective and Specific Desired Results:

My overall objective is to increase the volume of preowned retail sales while also doing a better job of keeping the correct mix of desirable vehicles, have an exit strategy for every vehicle we take in on trade in and increase our inventory turn from 8 to NADA guide of 12 while keeping our Gross % of sales at 12% which is also NADA guide. I would like to have to have our preowned to a new ratio of 1 to 1.

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

I started by doing research on all my sales managers and tracking who was doing the best in regards to appraising trade in's. I also evaluated them to see which one was capable of handling all of the day to day decisions which is a huge responsibility since we have learned that the used car manager writes more checks than any other manager and also can influence our gross positively or negatively more than any other manager. Now that I've selected the manager the

plan starts with evaluating our current preowned inventory and making sure we have the right preowned inventory for our market and then a make an exit strategy with each one. Once we have determined which units we are keeping, using Data from VPD and SRP, price them according to the market to move them faster. Making that correct decision on day one will alone increase our preowned turn, which is currently at 8 and moving it closer to NADA guide of 12. To maintain our Gross % of sales at 12 or higher we need to make sure we buy our vehicles for true wholesale market and not allow the new car department to make us bury ourselves in trade in's. UC manager especially, but bottom line change the mind set of all managers moving forward. He will also reach out to all vendors and ask for a 10% reduction on services. Not to cut their prices because we ask for it, but to share with them how the volume will increase as we move this department forward. UC manager will then evaluate every car on property every 15 days to make sure the market and our vehicles stay in line with one another.

Timeline: Describe specific short term and long term checkpoints to monitor progress

Effective immediately I have already transitioned my UC manager over to his position. Weekly the UC manager and I will be reviewing our inventory "Inspect what you Expect, Short term goal with in 30 days wholesale and replace vehicles that are not right for our market. After 1st quarter of the year we will review our in stock inventory and make adjustments to assure we have enough inventory to turn them 12 times a year.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. **Who:** all sales managers
- b. **What:** to change the mind set of the managers regarding preowned inventory
- c. **By When:** immediately
- d. **How:** share with all staff our new direction and follow our action plan

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:
