



## HOMEWORK ACTION PLAN

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

Name Mike Fink Class # N394  
 Dealership Honda of Tomball (Pohanka Automotive Group) Date 6/27/2022

Current Situation or Challenge to be Addressed:	Create a process to sell aged preowned inventory (5 Oldest focus) to limit beyond 90 days in inventory.		
Current Performance Level (include specific measure):	Current performance is 17 units aged beyond 90 days or 14% of our inventory.		
Goal (what do you want to achieve?)	To have less than 8% of our preowned inventory aged beyond 90 days		
Goal Performance Level (include specific measure)	Utilize Vauto and DMS to monitor inventory. Keeper system and CRM for the number of times the vehicle has been shown and the number of leads to help identify opportunities. Monitor the VDP on vehicles in inventory to make sure the verbiage and descriptions are accurate and align to what the market demands. 5 oldest are discussed in daily meetings with managers and sales staff. Daily the 5 oldest are hung in the sales area for recognition. Sales Consultants will be credited an additional unit towards thier month end sales objective for each identified filthy five sold, meaning it counts twice.		
Goal Start Date:	7/1/2022	Goal End Date:	Will always be on going
First Check-in Date:	7/2/2022	Performance Objective:	5 units identified and named the Filthy Five
Second Check-in Date:	7/4/2022	Performance Objective:	1 aged unit sold 1 new added
Third Check-in Date:	7/5/2022	Performance Objective:	No Traction
Fourth Check-in Date:	7/6/2022	Performance Objective:	1 aged unit sold 1 new added
How does your goal align with the dealers' vision?	This aligns by focusing on a number of things that he would expect. The 1st would be that we were selling cars. We are paying attention. It would also indicate we are operating the business as if it were our own.		
What are the potential benefits of achieving	Better inventory turn. Reduction of frozen capital. Staff engagement. Less		

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your goal?	aged inventory. Better cash flow.
What are the potential consequences if you don't achieve your goal?	Frozen capital. Poor inventory turn rate. Higher reconditioning fees associated with length of time the vehicle has been on the lot.
Why is the goal important to you?	It is a measurement of focus that will yield better store and company performance
Potential Obstacles	Complacency, laziness and no buy in. Difficulty in not having enough inventory currently with UC which means they are priced higher and can lead to slower turn rates.
Potential Solutions	Write it into pay plans and hold people accountable. Adjust accordingly to the current market conditions.
<b>BOTTOM LINE!</b> Financial Impact of Achieving Your Goal (expressed in dollars)	Based on our current numbers our average investment in our aged units over 90 days is \$31,815. With the reduction of 8% of inventory that would yield 10 less vehicles aged. If we reduced our turn rate on those vehicles to 60 days (8 turns 14% Gross and 112% GROI) we would reduce our expense on inventory and add an additional \$37,500 in gross a month and \$450,000 a year

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
Vehicle reaches 28 days in inventory CRM is checked for leads and number of shows. Vehicle driven by Service Manager to ensure vehicle is defect free. May be a price adjustment.	Leads Save a deal	UC Manager/GSM/ Service Manager	Identification of potential aged unit	Next checkpoint at 45 days in inventory.

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Vehicle reaches 45 days it is parked at service drive entrance and pricing is adjusted	Vauto/DMS Save a deal	UC Manager/GSM/ Inventory Manager	Awareness that unit is aging	60 Days in inventory
60 Days Bonus is in place for Sales Consultants	Vauto/DMS Save a deal	UC Manager/GSM/ Inventory Manager	Sell the vehicle	75 Days in inventory
75 days Vehicle becomes the GSM's Demo	Vauto/DMS Save a deal	UC Manager/GSM/ Inventory Manager	Make the GSM sell the vehicle!	90 Days in inventory
Vehicle is included in the Service Managers special of the week.	UC Manager/GSM/ Inventory Manager	UC Manager/GSM/ Inventory Manager	Sell the Vehicle	115
Hard turn	UC Manager/GSM/ Inventory Manager	UC Manager/GSM/ Inventory Manager	Sell at auction	END
Written process of the above with outlined and detailed instructions to include the examination of the following per inventory units passed 30 days.# of Shows, leads, VDP's,Price to market. Like mine in market.Market days supply and price rank	Vauto/eleads	GSM	Better inventory control	June 27 - Forever

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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.

During save a deal meetings we began the discussion of aged used inventory. We discuss everyday the "Filthy Five" and any leads or showings. We rolled out to the sales staff of how we would be handling aged used vehicles moving forward. Sales consultants see the aged inventory Filthy Five sheet hung in sales area daily. Sales consultants are credited an additional sales unit towards their objective which could be the difference in hitting their next tier bonus level.

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

After VO1 I introduced the idea to be discussed daily. It is now a daily topic of discussion as forementioned.

Sponsor Signature: \_\_\_\_\_