



HOMEWORK ACTION PLAN

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

Name KIM C MADDOX Class # N396

Dealership COLLIER FORD INC Date 8/19/2022

Current Situation or Challenge to be Addressed:	Pre-Owned Inventory Turn is below NADA guide of 12. Our current pre-owned inventory is in excess, aged and incorrectly priced.		
Current Performance Level (include specific measure):	YTD Pre-Owned Inventory Turn as of July 31st was 2.2 with a Day's Supply of 108.		
Goal (what do you want to achieve?)	Increase Pre-Owned Inventory Turn by March 31st.		
Goal Performance Level (include specific measure)	Pre-Owned Inventory Turn to 12.		
Goal Start Date:	8/22/2022	Goal End Date:	12/31/2022
First Check-in Date:	8/31/2022	Performance Objective:	Video Reviewed & Inventory Evaluated
Second Check-in Date:	9/30/2022	Performance Objective:	Inventory Reduced of Aged Inventory anything over 30 days Inventory Turn Rate to 3.2 by Reducing inventory to 30 units and increasing sales to 15 units
Third Check-in Date:	12/31/2022	Performance Objective:	Increase Turn Rate to 5.0 and Reducing Inventory to 25 units and increasing sales to 18 units a month.
Fourth Check-in Date:	3/31/2023	Performance Objective:	Increase Turn Rate to 12.0
How does your goal align with the dealers' vision?	If we improve our inventory by removing the aged inventory and changing our pricing strategy to be more in-line with the current market prices as well as improving on what we are stocking we will be better able to meet the needs of our customers and provide them with the vehicle that best fits their needs. We want the customer to feel they are family and that we have their best interest in mind so that they will return to the dealership for all their future automotive needs.		

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What are the potential benefits of achieving your goal?	Increase in Gross Profit and decrease in Floor Plan Expense on Pre-Owned Inventory. Satisfied customers.
What are the potential consequences if you don't achieve your goal?	Loss in the Pre-Owned Inventory Department at the end of the year when we have to mark down aged units due to market value decrease. Increased expenses in floorplan interest due to aged inventory and overpriced vehicles as the market changes.
Why is the goal important to you?	Opportunity for more profit for the dealership. Clean up our Pre-Owned Inventory.
Potential Obstacles	General Manager of Sales and Used Car Manager are set in their ways.
Potential Solutions	I will have to change their way of thinking by educating them and showing them the numbers as well as having them both watch the Dale Pollack video.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	If we increase our inventory turn rate to 12, reduce our average front end gross profit and decrease the number of units in inventory that we carry to 25 we could be looking at an increase in annualized gross profit of \$438,120 and a total additional income for the year of \$322,483 from F&I and Reconditioning. This does not take into consideration the savings we would have on Floor Plan Expense.

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
GM of Sales & Used Car Mgr watch Dale Pollak Video	Dale Pollak Video	Jay Collier and Byron Taylor	Click or tap here to enter text.	Start: 08/22/2022 End: 08/31/2022 Check: 08/26/2022
Evaluate Used Inventory	Used Inventory List, Current Book-Out of Each Vehicle, Market Analysis of Each Vehicle using AutoTrader Market Analysis	Byron Taylor, Jay Collier and Kim Maddox	Rank vehicles using Platinum, Gold, Silver and Bronze Structure, Create a list of vehicles that need to move with urgency	Start: 08/22/2022 End: 08/31/2022 Check: 08/26/2022 These dates are to get started and then we will evaluate at beginning of every month going forward.

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Formulate an Inventory Reduction Plan - reduce prices and wholesale vehicles at auction or with other dealers outside our area that we have a wholesale relationship with. Reduce Inventory to 25 units	Inventory Ranking created after Inventory Evaluation,	Byron and Jay	Reduce Used Inventory from 36 to 25 - This inventory should be made up of vehicles in stock less than 30 days	Start: 09/01/2022 Plan completed by: 09/02/2022 Inventory Reduced to 25 units by: 10/01/2022 Re-evaluate as weekly until all aged inventory is sold.
Re-Price Inventory to be more inline with the market	Used Inventory Evaluation Information and Vehicle Ranking Information	Byron and Jay	Vehicles Priced to be competitive in the market with more inquiries and quicker sales.	Start: 09/01/2022 End: 09/01/2022 Continue to reprice as the market changes.
Conduct Daily Sales Meeting to Review Current Inventory	Inventory Ranking List	Byron Taylor & Jay Collier	Sales Persons aware of Inventory & any units with pricing changes	Start: 09/01/2022 No End Date
Analyze the Market as well as our Leads to Develop a Strategy for Units to Purchase	AutoTrader Market Analysis and Current Leads	Byron Taylor	Develop a List of Prospective Units to begin looking for at auctions and as trades to have more desirable and faster turning inventory	Start: 09/01/2022 No End Date as this will be a process that will need to be done weekly
Develop plan w/Detailers to turn vehicles around faster	Track turn time of detailers	Byron Taylor	Vehicles ready for lot in 3 days with pictures on website until ready have photos coming vehicle in detail on website	Start: 09/06/2022 Have Plan Finalized by: 09/09/2022 Continue to monitor

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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.

Will have weekly meetings with Sales Manager and Used Vehicle Manager where we go over the inventory and where we are with our inventory. Develop an incentive for the Used Vehicle Manager when the Inventory Turn Rate is at 12 with deductions from that incentive for any untis over 30 days old without good reason.

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

I have met with the Used Car Manager and discussed the current state of our inventory and the current turn rate. He is onboard to make the changes and improve our inventory. He definitely saw the value in the Dale Pollak video and had already started to make some changes with inventory as well has made an effort to learn more about the market analyzer that is availabe in AutoTrader. My final meeting will be with my brother the General Sales Manager and my father, the Dealer Principal, to go over this action plan and then prepare as we move forward with this action plan.

Sponsor Signature: