

Variable Operations:

- add new car pack \$350 to increase new car gross
- add used car pack \$1,000 to increase used car gross
- implement electronic contracting to ensure fast funding for finance deals
- to help with used car gross, put a process in place where the desking manager does not appraise the trade in. This will help eliminate trade bumps at the end of the deal to pick up front end profit
- Add a rapid recondition software tool to reduce recon time to 3-5 days to front line ready
- Put in a New and Used inventory aging turn policy and tie it the managers pay plan to ensure we move inventory quickly
 - if vehicles exceed 45 days- implement a write down process and write down aged used vehicle to current market value in order to sell it.
- raise doc fee to be competitive with surrounding dealers. I would say at least \$500
- install dealer add ons to new vehicles to help increased profit. Example add tint and a paint protection on new cars and charge customers \$1494 to every new car deal
- review current new demos being used and put in policy to eliminate employee demos.

Fixed Operations:

Service

- Calling around to local dealers to find what the local door rate
- Have a in house detail shop and charge \$150 per used car to increase gross
- I would raise the customer door rate \$175
- Raise internal rate to match the customer door rate
- Remove service advisors' ability to discount service to improve effective labor rate
- submit for warranty claim increase once we a good 100 RO analysis set
- implement electronic dispatching system for to improve technician efficiency
- appoint a shop foreman to assist technician to improve technician efficiency
- review all quick maintenance items to ensure proper pricing for gross retention while remaining competitive with our locals

- Put a Work in Process procedure- do not let a vehicle leave the service department without closing the ticket

Parts

- Reviewing aging parts and get a process in place to get of the old parts.
- List old parts on GM Vintage site
- Put the parts manager on pay plan tied to maintaining a 45 day inventory turn
- Look into manufacturer incentives for fixed operations and tie them in to managers pay plan to achieve the metrics
- Utilize inventory management through gm global that will assist with control stock parts to ensure they are moving through sells and not aging on the shelf. This will help get parts day supply to a 45-day supply. The program has processes in place where they stock us with a part, and it sits on shelf for 15 months they will take back with no penalties
- GM RIM Program reviews fast moving parts and stocks accordingly, so we are not missing sells
- Look at service customer internal parts and counter retail parts (only holding 19% gross profit on counter retail=very bad) pricing and structure to achieve a minimum of 40% gross profit
- Reset pricing on wholesale parts to a minimum of 20%. Currently only holding 9%
- Investigate warranty parts to see where holes in the process lie. Currently only holding 28% gross profit. Review every RO with parts to see if there is a pricing issue in the DMS because we reimbursement should be 40% over dealer cost

Accounts receivable aging

- Put in a process to stop taking new charges in until account is paid current
- Reduce credit limit until they have proven at least 6 months on time pay