

ACTION PLAN 1

S Specific
M Measurable
A Achievable
R Relevant
T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

My goal for 2023 will be to increase new car volume. This will improve our new car customer base, increase absorption, increase service and parts volume, and grow used car inventory from the trades.

My plan is to gauge this by used car turns, service and parts, and sales effectiveness with Hyundai reflected in a maximized allocation.

BOTTOM LINE: Benefits of Achieving Your Goal

The reason for my goal is because of the rewards. Improving allocations will increase our customer base by allowing us to have a better selection and availability compared to competing dealers. Increasing new car inventory will also bring a uplift in used cars brought in from trades, thus increasing service and parts revenue. The profit that would be picked up in F&I from both the new car deals and the deals on the trades brought in would be a huge gain in monies for the store. Most importantly would be employee retention.

Consequences of Not Achieving Your Goal

Missing this goal would cause in a slow moving activity. New cars drive traffic with selection even if the customer is switched to and leaves in a used car. If we didn't have the new car we wouldn't have a used car deal. No deal means no opportunity to make money on the front or back end in F&I. Without a good flow of traffic employee retention is harder. Without enough inventory-new or used- to sell, sales staff are less likely to stay with the dealership and without trades used car technicians will start to fade out. Lastly, not improving ...

When will you start? Start date looks very good for 01/2/2023

How will you gauge your progress? When? Using which metrics?

Gauging this growth should be simple; watching the amount of new cars going out would be the starting point. Followed by watching the rise in new car sales result in the rise in amount of trades in the shop with open R.O.s. Wholesale sales may rise or fall, but most importantly the total number of transactions will rise which increases the bottom line, the amount of profit made.

What specific actions will you take to achieve your goal? Who can help you?

Best way to achieve my goal will be to get my team on the same page of the direction the store will be moving and how we get it there. Volume is the key to success. We will make a hard push to flush out any aged units to free up capital and make space for fresh units. The focus will be on what we sell the most, \$18k-25k units. We will work on taking shorter deals to get to the next deal when there are trades and financing. This allows us to shift from less high gross deals to a much higher volume of reasonably profitable deals. Knowing how to price cars in the world of car buying online plays a big part in getting more car deals too; being 90-95 percent of the market bring in more customers and sells more units. I will also be putting a focus on maximizing our opportunities when customers are in the dealership by making sure Sales Managers are taking early T.O.s to be involved in the sales process early. My Used Car Manager will efficiently make sure cars are getting through service and detail to be retail ready as quick as possible. I will make sure both the sales and service teams managers communicate to allow us to focus on what drives the store; in this store that is car deals.

Potential Challenges?

To start, shifting to a volume-based sales store may result in being allocated more undesired cars (model, year, color, package, etc.) that are hard to move. Communicating with the manufacture to get them to replenish the cars quickly for quick turns can be difficult as well. I can also see a possible challenge in getting sales staff to change the structure of their workday. There will be a shift in the day to day structure that may require more work to get customers into the dealership and to buy a car. Everybody will need to be on board for

Potential Solutions?

I will look at creating pay plans to overcome the volume shift to incentives the sales staff to keep up with what's needed to drive business. I will also be having weekly sales meeting with sales staff and all department heads to make sure everyone is on the same page on what adjustments need made to keep the horse and buggy driving in the correct direction.