

## 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?

I will increase pre-owned inventory turns from 4 to 8 by December 31st.

**BOTTOM LINE: Benefits of Achieving Your Goal**

By increasing turns by 4 the following happens over 2023

- Lowering front end gross by 828/unit
- 400 extra units
- \$136,800 extra front gross total
- at 2022 average FI net number \$1524 generate an extra \$609,600
- At 150 doc fee extra \$60,000
- At 2022 average recon of 1651 generate extra 132,080 in parts
- Extra 250, 952 in service

Total additional gross profit \$1,189,432

Jan 20th 2023

When will you start?

**Consequences of Not Achieving Your Goal**

Excess aged inventory

Lower front gross without the extra units

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

We will be able to track additional volume sales per month and I will calculate turns monthly on a rolling 6 month calculation to monitor growth

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

Joint effort between all sales managers and the used car manager.

Strict aging policy of no vehicles over 60 days.

Committing to achieving a lower average inventory balance, our variance between average cost in 2022 through November was \$26,828 but our average cost of a pre-owned sold was \$17,683. \$22,000 is the standard.

Velocity pricing from day one using Firstlook cost to market data.

Utilizing a dedicated used car buyer to make sure we can support the purchasing needed to support the extra units.

Commitment to buying more in-line vehicles to certify and certify every unit that can be certified.

Weekly pricing and aged strategy meeting Thursdays.

Pay plan bonus has been instituted for top 3 used volume sales every month.

Potential Challenges?

Potential Solutions?

Through put of the service department

Dedicated used technician

Variance from aging policy

GM does not allow exceptions

Sales people complaining of less gross on used deals

Change of payplan to encourage volume sales

Lack of trades from reduced new car sales

More online buying to support inventory efforts and widen reach