

NADA HOMEWORK ACTION PLAN

Name Mike McKay Class # N407

Dealership Merced Chevrolet Date 02/17/23

Current Situation or Challenge to be Addressed:	Aging Inventory	
Current Performance Level (include specific measure):	We currently have 70% of our Inventory sitting in Red (Aged over 90 Days)	
Goal (what do you want to achieve?)	My Goal for the Store is to limit our Aged Inventory to 0% over 75 Days	
Goal Performance Level (include specific measure)	I would like to have attain a 10 level by May 31 2023.	
Goal Start Date:	02/13/23	Goal End Date:
First Check-in Date:	02/28/23	Performance Objective:
Second Check-in Date:	03/31/23	Performance Objective:
Third Check-in Date:	04/30/23	Performance Objective:
Fourth Check-in Date:	05/31/23	Performance Objective:
How does your goal align with the dealers' vision?	Merced Chevrolet's Dealership Vision is to be a Fast Turning Proficient Machine. From New Inventory to PreOwned.	
What are the potential benefits of achieving your goal?	If we can turn our Pre-owned Inventory faster whether that be Retail or Wholesale we can avoid what we've been doing. Bleeding profit by over flooring inventory the public doesn't seem to want from us in that time frame.	
What are the potential consequences if you don't achieve your goal?	We will have an aged inventory that consumers don't find attractive and they will continue to age and cost us more to sit than they make us to retail them to customers when the time comes.	
Why is the goal important to you?	I believe this is something I have control of daily. I choose what stays and what goes, so why am I allowing us to bleed out slowly when I can tend to the wound, and ultimately improve our profit status by replacing the unit with a fresh desirable unit.	

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

Potential Obstacles	My staff not committing to monitor their active inventory and actively pursuing opportunities to sell it.
Potential Solutions	Vocalize my goal and it's importance with Sales Managers and relay that same goal to our Sales Staff while incentivizing the new culture.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	In class we discovered that I bought a Chevrolet Tahoe for \$42,317. It was in Inventory for 441 Days. My selling Cost Per Day was 154. My Total Selling Cost was up to \$67,914. My Total cost to Sell up to \$110,314. If I were to use the same formula over my total aged Inventory I have a Total Selling Cost of \$782,914. By Turning my Inventory within 60 Days I could increase my profit turn by \$493,000 just by flipping 13 units every 60 Days.

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
Review Aged inventory	DMS / Vauto	Mike McKay	Calculate total amount	02/13/23
Mark Aged Inventory and Merch at Entrance	Decals / Staff Awareness / Lot Party	All Sales Department	Merchandised Manager Special Section	02/28/23
Price Inventory over 90 Days at 94% of Market	DMS / Vauto	Mike McKay	Interest to Purchase Units	02/28/23
Update Vehicle Photos / Create Walk Around Videos	Social Media Advertising CRM: Send to Active Leads on Vehicles	Sales Dept	Aged Inventory Awareness and Lead Opportunities	03//06/2023

