



HOMEWORK ACTION PLAN

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

Name <u>Isaiah Greenwood</u>	Class # <u>N409-32</u>
Dealership <u>Gates Chevy World</u>	Date <u>3/22/2023</u>

Current Situation or Challenge to be Addressed:	We do not have a written pricing structure and some of our vehicles are overpriced, becoming overaged, and are not priced to the market.		
Current Performance Level (include specific measure):	Our platinum and bronze cars are both priced at 109% price to market. The gold vehicles are priced at 110% and the silver are priced at 113%.		
Goal (what do you want to achieve?)	I want to achieve a pricing structure that outlines how our cars should be priced. Our platinum cars should be priced the highest and our bronze cars the lowest when looking at the price to market in Vauto.		
Goal Performance Level (include specific measure)	Our platinum cars can continue to be priced at 109% price to market but our bronze cars should be priced considerably less at around 100% or lower in order for them to sell quickly. Our bronze cars days in inventory is 97 with an average days to sell of 83. Both of these numbers should be cut in half at least if not more.		
Goal Start Date:	3/20/2023	Goal End Date:	5/31/2023
First Check-in Date:	4/10/2023	Performance Objective:	Platinum cars are priced at 106-109% price to market
Second Check-in Date:	4/17/2023	Performance Objective:	Gold cars are priced at 104-106% price to market
Third Check-in Date:	4/24/2023	Performance Objective:	Silver cars are priced at 100-104% price to market
Fourth Check-in Date:	5/1/2023	Performance Objective:	Bronze cars are priced at 94-100% price to market
How does your goal align with the dealers' vision?	Our vision as a dealership is all about volume. This is true in all of our departments. If we install a written pricing structure it should allow us to sell more vehicles overall because our vehicles are priced correctly and should theoretically move quicker.		
What are the potential benefits of achieving your goal?	Some benefits are increased used car volume, more F&I gross, less write downs, quicker turns, higher GROI, less aged vehicles, and less holding costs on the used vehicles.		

HOMEWORK ACTION PLAN

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

What are the potential consequences if you don't achieve your goal?	Some consequences would be decreased used car volume, less F&I gross, more write downs, slower inventory turns, lower GROI, more aged vehicles, and losing money with our holding costs of \$88 a day on used vehicles.
Why is the goal important to you?	It is important to me because I want our dealership to increase our volume of used cars. Once we sell a vehicle, the entire dealership benefits from sales, to F&I, service and parts. Nothing happens until we sell a vehicle. If we can increase our volume, it aligns with our vision and also benefits the entire dealership.
Potential Obstacles	Some potential obstacles would be passing on certain deals on platinum cars if the gross is not what it should be, there is more work involved in pricing the vehicles each day, and the manager may not want to lose gross on certain bronze vehicles.
Potential Solutions	One potential solution could be to pay a bonus to the managers based on the GROI.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	The pricing strategy would increase our inventory turn from 6 times to 8 times this year. This would result in 26 more vehicles sold each month bringing roughly \$44,000 more gross from the front end only per month. Annualized this would equate to about \$528,000 in additional front end gross this year. This doesn't even take into account all the other sources of income within the dealership.

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
Research new pricing strategy	V-auto, computer	Isaiah	Vehicles will be priced at 100% or lower (bronze) and around 109% (Platinum)	Start date: 3/21/23 End Date: 3/22/23 Checkpoint: daily
Review current pricing strategy with used car manager	V-auto, computer	Isaiah, Used vehicle sales manager	We will develop a pricing strategy to generate additional	Start date: 3/20/23 End Date: 3/20/23 Checkpoint:

HOMEWORK ACTION PLAN

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

SPECIFIC ACTION/STEP	NECESSARY RESOURCE(S)	ACCOUNTABLE PERSON(S)	EXPECTED RESULT	START, END, & CHECKPOINT DATES
			revenue	quarterly
Reprice all platinum vehicles in inventory	V-auto, computer	Used vehicle sales manager	All platinum vehicles will be priced at around 106-109% cost to market	Start date: 4/3/23 End Date: 4/10/23 Checkpoint: weekly
Reprice all gold vehicles in inventory	V-auto, computer	Used vehicle sales manager	All gold vehicles will be priced at around 104-106% cost to market	Start date: 4/10/23 End Date: 4/17/23 Checkpoint: weekly
Reprice all silver vehicles in inventory	V-auto, computer	Used vehicle sales manager	All silver vehicles will be priced at around 100-104% cost to market	Start date: 4/17/23 End Date: 4/24/23 Checkpoint: weekly
Reprice all bronze vehicles in inventory	V-auto, computer	Used vehicle sales manager	All bronze vehicles will be priced at around 94-100% cost to market	Start date: 4/24/23 End Date: 5/1/23 Checkpoint: weekly
Update all prices weekly as needed	V-auto, computer	Used vehicle sales manager	All vehicles will be priced as needed	Start date: 5/1/23 End Date: Indefinitely Checkpoint: daily

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.

One way to ensure they do not fall back into their previous habits is to hold a weekly meeting to discuss the prices of our vehicles and to ensure they are accurate and up to date. This meeting

HOMWORK ACTION PLAN

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

will be no more than 5-10 minutes. If the pricing strategy works how it should and the grosses increase, the managers will realize their pockets are benefited too.

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

At the beginning of this I would like to have a meeting with the used car manager who is in charge of pricing the vehicles. This will allow me to get a better understanding of how they are currently pricing the vehicles. Once this meeting happens the only other meetings would occur during the pricing process and then weekly from there on out to discuss any price changes and ensuring we are keeping up to date with everything.

Sponsor Signature: _____