



HOMEWORK ACTION PLAN

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

Name Jesse Letourneau Class # 410

Dealership City Ford Sales Ltd. Date 4/26/2023

Current Situation or Challenge to be Addressed:	Current inventory turn rate is lower than what it could be and this is affecting our gross profit.		
Current Performance Level (include specific measure):	The current inventory turn rate is 6.4.		
Goal (what do you want to achieve?)	The goal will be to increase our inventory turn rate in order to increase the dealership's gross profit.		
Goal Performance Level (include specific measure)	The goal will be to increase our inventory turn rate to 10.		
Goal Start Date:	5/1/2023	Goal End Date:	12/31/2023
First Check-in Date:	6/30/2023	Performance Objective:	Inventory turn rate of 7
Second Check-in Date:	8/31/2023	Performance Objective:	Inventory turn rate of 8
Third Check-in Date:	10/31/2023	Performance Objective:	Inventory turn rate of 9
Fourth Check-in Date:	12/31/2023	Performance Objective:	Inventory turn rate of 10
How does your goal align with the dealers' vision?	The goal aligns with the dealership's vision because this will allow us to have proper stock that will turn more efficiently and effectively and this will lead to increased sales and less aging inventory at the dealership.		
What are the potential benefits of achieving your goal?	Benefits include increased turn rate, less aged vehicles, more competitive vehicles that are properly priced. Gross profit will increase as a result an increased turn rate and the dealership as a whole will be more effective and efficient in regards to inventory management.		
What are the potential consequences if you don't achieve your goal?	Consequences include aged vehicles that are difficult to move, vehicles that we are taking in that are too high priced for our market, less customers purchasing our vehicles and our gross profit will not increase.		
Why is the goal important to you?	This goal is important to me so that the whole dealership can benefit as a whole, and I can try to play a part in helping the dealership grow.		
Potential Obstacles	Potential obstacles include aggressive auctions, seasonal inventory changes, the		

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	inability to properly price vehicles so that they move but we are capitalizing on the sales still and investing in the proper vehicles.
Potential Solutions	Potential solutions include the online tools and sources that can assist with proper vehicle appraisals when buying vehicles from the customer and the auction, and these tools also help with the proper pricing of the vehicles. Our management has lots of knowledge in the industry as well which will help in this regard, and having a proper aging strategy will help to move inventory.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	The total projected gross profit, if we are able to increase our current inventory turn rate from 6.4 to 10, is \$9,647,587.

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
Determining what inventory is in demand in our market	Online tools, such as V-Auto, and compare our previous sales history in our market	Used Vehicle GM	To have better stock of vehicles that move quickly in our market	Start date is May 1, 2023 and then monitoring our inventory weekly
Sourcing proper inventory	Proper appraising strategy for existing customers, street purchases, auctions and other markets. Additionally, have a written appraisal process to document and hold parties accountable.	Used Vehicle Manager and Appraisers	To have increased inventory while have the vehicles priced competitively enough to move and not age too long on the lot	Start date is May 1, 2023 and then using appraisal tools daily and monitoring inventory that appears to be aging.
Determining a pricing strategy that will increase our turn rate	Using a market-based pricing strategy, using online resources, and then making daily adjustments based on aging online metrics to see	Used Vehicle GM	Inventory should move at a much greater pace given that the vehicles are priced to more more aggressively.	Start date is May 1, 2023 and vehicle pricing is to be monitored daily.

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	how much interest there is on specific vehicles			
Determine an aging strategy so that we limit our aging inventory	Determine an exit strategy on our vehicles so that there is no vehicles here too long	New and Used Sales Managers as well as the GM	Should no longer have old aged vehicles sitting on our lot without any traction	30 days to retail the vehicles, 30-45 days to make price adjustments to try and get them to move, and then once they are 75 days or older they can be sent to the auction. Vehicles aging should be monitored daily
Continual monitoring of aging vehicle pricing	Monitoring our vehicle's prices in order to have proper pricing to sell	Used Vehicle GM	Always have effective prices so that our vehicles are priced to move	May 1, 2023 and then daily monitoring based on internet views, test drives, deposits, etc.
Increased marketing efforts	Increased marketing efforts on vehicles that have not had much traction in the market in order to try and move them	Employee who works with the marketing team	Find new leads that should help move our aging inventory that are not currently looking in our market	Starting June 1, 2023 we should be monitoring and communicating with the marketing team to try and move these aging vehicles.
Adjust our reconditioning process to have vehicles front line ready faster	Create a better process for vehicle reconditioning so that vehicles will be ready to be sold faster	Used Vehicle Manager and Service Manager	Have vehicles reconditioned and ready to be sold within 3 days	Starting June 1, 2023 and should be monitored weekly

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.

Once the goal has been completed then we can continually calculate and monitor our inventory turn rate on a

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monthly basis and if we are under an inventory turn rate of 10 we can try and figure out what is affecting this and make adjustments accordingly.

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

Meetings will have to be had with all parties involved to communicate what the objectives and goals are. Additional training may be necessary for online resources and just general training when it comes to things like appraising.

Sponsor Signature: _____

