

Departmental Action Plan

Student Name: Leonard Spencer

Class & Student Number: N330-331237424

Academy Week: 4

Current situation or challenge you want to address:

We need to turn inventory more quickly and acquire more inventory to increase our monthly sales objectives.

Overall Objective and Specific Desired Results:

Increase our average monthly volume of pre-owned sales from 35 to 45 per month.

Reduce aged inventory and in turn increasing our gross average per car.

Describe your action plan in detail (be specific and include before and after measurements)

After several conversations with the used car manager we have decide to put two processes in place.

The first thing is setting a hard turn of 90 days for aged non-Infiniti pre-owned inventory. We believe after researching average grosses for buckets from 1-30 days up to 120+ days that there is a significant drop in gross after 90 days. At 75 days we will price vehicles at a number that would be equal to the wholesale number we are willing to accept at the auction. This should create additional interest in said vehicles

and also give an opportunity to trade for vehicles, as well as potential finance income, offsetting the loss that we take on the vehicle.

The second is an investment in Stockwave, a product of VAuto. This will allow us to acquire more vehicles from the auctions. This process will allow us to stock a larger inventory to reach our goal of 45 units per month.

We are averaging 35 units per month now and believe that with the changes we have made will be impactful in the first 30 days. We just started using Stockwave and have found a few additional units in the first week.

Timeline: Describe specific short term and long term checkpoints to monitor progress

With Stockwave and the decision of a hard turn at 90 days we should be able to increase our average to 45 by the end of 2018. This will be monitored on a weekly basis for purchases and units with a strong review of our processes when reviewing the monthly reports.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: As we have a small staff the focus will be mainly on our pre-owned manager but myself and the new car manager will also be focused on the goal.
- b. What: The two managers and myself are focused on increasing the pre-owned turn. We believe with the processes placed on the department will help us to achieve the goal.
- c. By When: We will be averaging 45 units by the end of 2018
- d. How: The goal will be achievable by continuously monitoring the inventory to prevent the aging of inventory and the use of Stockwave for

acquiring new inventory. We have already begun using Stockwave, and the hard turn process will be in place on May 1st 2018.

Dealer agreement:

If you need your sponsors support or approval to implement your plan, have it signed off before you start. If you can proceed on your own, present this action plan to your sponsor before next class. Describe the meeting:

~~— The dealer has a lot of confidence in myself and the pre-owned manager. We have known each other for many years. When I presented him with our plan he was completely on board. We plan to only place a hard turn on non-INFINITI pre-owned vehicles. He believes we should do this for all vehicles. I told him we would like to see how this goes and grow into the hard turn for everything and he agreed. We also discussed Stockwave and the fact that we have in the first week acquired an additional 3 vehicles because of the product. We are all excited about the future of INFINITI of Lexington.~~