

Edward Emerson

NADA N328-08

Week 5 / Variable Operations II

Current Situation / Challenge:

Currently, at Capital Toyota Inc., we handle all internet leads and inquiries through a Business Development Center (BDC). We have found through trial and error that this works best for us. In the beginning we worked with an Internet Manager and a team of sales associates. We changed this process due to our associates being selective as to the leads that were worked diligently. As of now we have a team of six BDC associates who handle all incoming leads and responses. They each have sales associates who are assigned to them as a Team Leader. I have found that our associates who are assigned to the BDC are getting too involved in the sale and pricing vs setting the appointment. I would like to note that we have improved that department drastically but would like to see an increase in appointments and a quicker turn to a sales associate without the BDC rep getting involved in pricing. Our numbers for the 1st quarter is as follows;

- Net lead count = 1898
- Appointments = 391 @ 20.6%
- Confirmed and shown appointments = 243 @ 62.1%
- Sold appointments = 154 @ 8.1% close ratio

Overall Objective & Specific Desired Results:

Our objective is to develop a process where the subject of price is avoided and the appointment is set early in the conversation. This will be done based on Jennifer Suzuki's **"Ten Steps to Setting the Appointment"**. We are looking to increase our overall number of confirmed appointments thus resulting in a higher percentage of sold appointments. Currently we are @ 62.1% shown appointments with a goal of 74%. Our current Sold Appointment Close Ratio is 8.1% with a goal of 12%.

Action Plan:

We will begin by initiating training with each of our BDC agents and Sales Professionals. We want each to understand clearly our goals for the prospect and focusing on bringing them into the store by setting an appointment. Currently, our BDC reps are doing a great job, but getting too deep in to the sale and pricing of the vehicle when the prospect hasn't paid a visit to the dealership. After reviewing the Jennifer Suzuki training modules, the resource documents have been downloaded and printed off. These documents will be given to our BDC agents and we will focus on the **"Ten Steps to Setting the Appointment"** which is as follows;

- Invite prospect to a pre-set meeting
- Offer two dates and two times

- Confirm email address
- Send email confirmation
- Offer directions
- Offer phone number & request their cell number
- Ask permission to text
- Refer to preparation time and time-savings
- Request prospect calls you when on the way
- State that you will meet prospect at car & have it running (AC/Heat on)

As I stated above, currently for the 1st quarter we have received a total of 1898 leads. Out of the 1898 leads, our team set 391 appointments @ 20.6%. Of the 391 appointments that were set, 243 were actual shown appointments @ 61.9%. Our sales were 154 @ 8.1%.

Timeline:

The resource documents have been given to all the department heads involved along with department employees. We will measure results on a weekly, monthly & quarterly basis in order to measure our growth in appointments that are set, shown and sold. Monthly evaluations will be done with department manager's during our Manager's meeting. The 1st quarterly evaluation will be done at the beginning of August as the 2nd quarter ends.

Meeting with Stakeholders (dealership personnel):

BDC agents will need to understand exactly what's expected of them going forward. This will be discussed as we continue to train in the area of the appointment. I have mentioned already that we have excellent employees in our Business Development Center. Training will be conducted by Jim Taylor, our IT Director and Travis Gray, our BDC Manager. They also will be responsible for monitoring and measuring results. We have reporting that's available to us through our CRM (DriveCentric). Travis Gray has done a superior job at supplying reporting on both the individuals (appointments set, confirmed, sold, etc.) and the department as a whole. Reporting will be given to Ed Emerson, GSM. Each Sales Department Manager will also be held accountable for their sales associates in being sure that the proper follow-up and communication is taking place between the BDC and Sales. Communication including notes in the CRM in regards to all that has taken place between the associate and the prospect. Manager's involved are Ed Emerson, General Sales Manager, Jim Taylor, IT Director, Travis Gray, BDC Manager, Aj Rice, Toyota New Car Manager, Kyle Armao, Lexus Sales Manager, Shawn Cordell, Pre-owned Manager, and Steve Wilson, Pre-owned Manager.

Dealer agreement:

A meeting has been held with all Manager's along with Bob McKamey, President, Jeff McKamey, VP. / General Manager. Everyone understands what is expected and our goals going forward. All agree that this is an area where we can see

immediate improvement resulting in higher volume, increased profitability, and a greater customer experience. A copy of this Action Plan has been given to each attendee. No signature is required for implementation of this plan.
