NADA ACADEMY

ACTION PLAN 1

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What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

I will increase my e-contracting percentage from 25% to 40% by 12/31/2022.

BOTTOM LINE: Benefits of Achieving Your Goal

The main benefit of this goal would be speeding up the process of getting deals funded. Focusing on e-contracting will also reduce costs when it comes to shipping and use of supplies. All in all, this means more cash in our hands, in our bank account, or better yet, working for us!

Consequences of Not Achieving Your Goal

By not focusing on e-contracting, our Contracts in Transit Days ' Supply could potentially increase. While Contracts in Transit is considered to be very liquid, money sitting in that account is not benefiting us just yet. The faster we have that money, the more it could be doing for us.

When will you start? Today!

How will you gauge your progress? When? Using which metrics?

By pulling a RouteOne report that shows what contracts have been e-contracted versus those that have not been. It is easy to pull this report and do a simple calculation to see what percent of contracts have been e-contracted. I will pull this weekly to see if we are staying on track and then do a calculation for the month to see our monthly percentage rate. It will also be important to keep an eye on our Contracts in Transit Days' Supply to make sure it does not creep up.

What specific actions will you take to achieve your goal? Who can help you?

Make it a habit to remind Finance Managers on a daily basis to focus on e-contracting. I will do this by showing them the Contracts in Transit document that is sent out on a weekly basis to New Car Managers, Used Car Managers, and the Finance Director. This document shows us what contracts have not yet been funded, how old the contract is, if we have the money in house, and what is needed to get the deal funded. Currently, once our Finance Managers have closed a deal, they do not follow it to see when that deal gets funded. If they were to follow the whole deal through to the end to see how quickly a deal can be funded if it is e-contracted, I am sure they would be amazed! Our Finance Director can help with this goal by incentivizing e-contracting and putting more responsibility on the Finance Managers when it comes to getting deals funded.

Potential Challenges?

Our Finance Managers have always pushed back when it comes to e-contracting. They say that it not only adds too much time to the process, but also that they tend to have too many error messages. Another challenge is when we spot customers, it is difficult to e-contract when customers have not yet been approved.

Potential Solutions?

Encourage Finance Managers to practice, especially when the dealership is not that busy. They say, practice makes perfect! By practicing, not only will it make the process quicker, but also if they follow through when an error message pops up and actually attempt to fix the problem, the next time that same error happens they will be able to complete the e-contracting process instead of just printing the contract out. Also, it will be important to remind Finance Managers that while e-contracting may be a small inconvenience to them, it is helping the dealership as a whole in the long-run