



HOMEWORK ACTION PLAN

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

Name Cara Vaughan Class # N412

Dealership Maher Chevrolet Inc Date 5/24/2023

Current Situation or Challenge to be Addressed:	Current inventory not being priced to the market, specifically old age units		
Current Performance Level (include specific measure):	Overall inventory has a price to market percentage of 103%, 71+ day old units have a price to market percentage of 105%		
Goal (what do you want to achieve?)	Create an inventory pricing strategy that is more in line with the market. Especially for old age units that we are trying to get rid of!		
Goal Performance Level (include specific measure)	Goal is to have an overall inventory price to market percentage of 100% and 71+ day old units to have a price to market percentage of 98%.		
Goal Start Date:	6/1/2023	Goal End Date:	7/31/2023
First Check-in Date:	6/12/2023	Performance Objective:	Old age units to have an average price to market percentage of 102%
Second Check-in Date:	6/26/2023	Performance Objective:	Old age units to have an average price to market percentage of 100%
Third Check-in Date:	7/10/2023	Performance Objective:	Old age units to have an average price to market percentage of 98%
Fourth Check-in Date:	7/24/2023	Performance Objective:	71+ days old units should be less than 20. Currently we have 66 in stock. All old age units should be priced according to new pricing model.
How does your goal align with the dealers' vision?	By having a set pricing strategy, turn should increase, and therefore resulting in higher GROI and more net profit. Dealers vision has always been focused on high gross and net profit.		

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What are the potential benefits of achieving your goal?	Benefits of achieving this goal would be getting rid of these old age units that we are burried in. Another benefit is having a set pricing structure in place for ageing units, resulting in quicker turn and greater GROI.
What are the potential consequences if you don't achieve your goal?	With the pre-owned market continuing to head back to where it was pre-covid we will just become more and more burried in these used cars that were purchased when pre-owned values were high. Hanging on to them even longer could create an ever bigger loss than if we were to get rid of them now. By not creating and implementing a set pricing strategy we could have an even bigger aged inventory problem that will be even harder to get ourselves out of.
Why is the goal important to you?	This goal is important to me because after doing the case study for this class on my dealership, I would love to present our findings to my Executive Manager and GSM. Creating and implementing this goal would be my first big accomplishment as a leader in this company.
Potential Obstacles	Getting used car managers/GSM on board with taking bigger losses than they hope for.
Potential Solutions	Explain that we do not have a crystal ball and our time holding on to hope that we will make some sort of profit on these vehicles is going down the drain quickly! Removing these vehicles from our inventory will make room for new inventory that we have better chances on pricing to the market.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Our current investment in inventory over 71+ days is \$1.9 million. If we were to even get 85% of what we invested in this inventory we are burried in by getting rid of these vehicles we would make \$1.6 million. Yes, that loss may hurt... But this creates room for new inventory that we have the ability to price to the market and have the potential to increase our GROI. If we increase our turns from 5.1 to 8 with a slight decrease in front end gross PUVR we have a projected yearly gross profit of \$6.9 million...

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
Create pricing strategy	vAuto Car gurus	GSM/Used Car Managers	All vehicles priced to market, not considering cost (ex. 102% price to market for vehicles 0-30 days, 100% 30-60 days, 98%	Start 6/1/2023 Checkpoint 6/12/2023 Checkpoint 6/26/2023 Checkpoint 7/10/2023 End 7/24/2023

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			60+). Less old age units in inventory.	
Designate someone to price - outside of those who appraise vehicles	vAuto Car gurus	GSM/Used Car Managers	All vehicles priced to market and according to new pricing strategy. (ex. 102% price to market for vehicles 0-30 days, 100% 30-60 days, 98% 60+).	Start 6/1/2023 Checkpoint 6/12/2023 Checkpoint 6/26/2023 Checkpoint 7/10/2023 End 7/24/2023
Reprice current old age units	vAuto Car gurus	Used Car Managers	Old ages units should turn faster now that they are priced to market 71+ days old units should be less than 20. Currently we have 66 in stock.	Start 6/1/2023 Checkpoint 6/26/2023 End 7/24/2023
SPIFF current old age units	Notice to salespeople	Used Car Managers	Old age units should turn faster now that salespeople are aware of them and have an incentive to sell them. 71+ days old units should be less than 20. Currently we have 66 in stock.	Start 6/1/2023 Checkpoint 6/26/2023 End 7/24/2023
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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.

Check in on old age units and price to market percentage on a monthly basis, spot check occasionally.

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

A planning/implementation meeting will be held with GSM and Used Car Managers to create a pricing strategy and teach new pricers on how to use the new strategy

Sponsor Signature: _____

