

ACTION PLAN 1

- S** Specific
M Measurable
A Achievable
R Relevant
T Time bound
-

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

I will lower our number of pre-owned vehicles to break even from 72 to 62 by February 29th, 2024.

BOTTOM LINE: Benefits of Achieving Your Goal

- pre-owned vehicles sold after 62 will be profit
- turn inventory quicker
- reduce pre-owned floorplan
- reduce units days in stock
- increase GP
- reducing expenses for the dept
- lower frozen capital
- stock right vehicles
- quicker to front line ready

Consequences of Not Achieving Your Goal

- would need to reduce expenses, what do we scale/cut?
- less profitable dept
- possibly stock less vehicles

When will you start? I will start on Monday, August 14th, 2023 with our Used Car Manager.

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

I will gauge our progress by comparing month over month used vehicle expenses, month over month breakeven pre-owned, month over month days' supply and turns. I will receive a financial statement each month and calculate these things and readjust action plan as necessary. Every week, used car manager and I will go over vehicles in stock and determine action plan on keeping/discarding, pricing, advertising.

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

As stated in box before, I will have weekly meetings with the used car manager. We will go over which vehicles to keep/discard and how, pricing, advertising, how to make vehicles faster to front line ready. When a vehicle is bought at auction or when taken in on trade, I will be alerted through our CRM system so that we may track the vehicle insights online, and track webleads/traffic online.

Potential Challenges?

- We are located in the Northeast and are preparing for winter. Typically December, January, and February are slower months and are high expense months.
- Current inventory level needs to be adjusted
- Customers are afraid of economic recession

Potential Solutions?

- August through November are good selling months as people prepare for winter by upgrading vehicles.
- Can go through current inventory level to determine keep/discard; wholesale market is still extremely high so we can auction off retailable units for current selling price or even higher
- lower inventory levels and keep pricing points in line with market (don't have high price units if people now need low price vehicles)