



## HOMEWORK ACTION PLAN

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

Name	Charlie Huttig	Class #	N417
Dealership	Adirondack Auto	Date	6/30/23

Current Situation or Challenge to be Addressed:	We are not aggressive enough with our aging inventory process. As a result, we have too many cars in the wrong side of our stock analysis (Old and Dead).		
Current Performance Level (include specific measure):	Currently we have 27% of our inventory considered old stock and 9% of our inventory considered dead stock.		
Goal (what do you want to achieve?)	Decrease old and dead stock by implementing more aggressive pricing strategies as units age along with implementing a hard turn at 90 days for all units.		
Goal Performance Level (include specific measure)	By the end of year we need to have less than 10% of our inventory in old stock and 0% of our inventory in dead stock.		
Goal Start Date:	7/1/23	Goal End Date:	12/31/23
First Check-in Date:	7/15/23	Performance Objective:	Have pricing strategy & turn process implemented.
Second Check-in Date:	8/1/23	Performance Objective:	20% Old Stock, 5% Dead Stock
Third Check-in Date:	9/1/23	Performance Objective:	15% Old Stock, 0% Dead Stock
Fourth Check-in Date:	11/1/23	Performance Objective:	Less than 10% Old Stock, while maintaining a 0% Dead Stock
How does your goal align with the dealers' vision?	The Dealers' money is invested in these units. By keeping them too long and not properly merchandising them throughout their life-cycle, we are left with units that we have to take a loss on. We can't be losing on these investments because we do not properly price and turn them.		
What are the potential benefits of achieving your goal?	By following a pricing strategy, we will be able to prioritize vehicles that have aged. By doing that, we will be able to hopefully retail those units, rather than holding on to them until they become either Old or Dead stock. When they reach that stock, we typically are either selling them for a small profit, or wholesaling for a loss. If we can make a move with the car before they get to that age, we have a better chance to sell more units, and make more per unit.		
What are the potential consequences if you don't achieve your goal?	We are going to continue to have too much frozen capital in our pre-owned inventory that we are underwater in. We are going to continue to take our investment and lose money over the life cycle if we do not do this.		
Why is the goal important to you?	It's a massive area of opportunity for our dealerships that we haven't taken advantage of. I believe that is because we have not properly priced and merchandised our vehicles. I believe this is a start for us.		
Potential Obstacles	Not following through and staying consistent with our implemented processes.		

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Potential Solutions	Making sure that we as a group are bought in and on the same page about our goals and visions. Ultimately, it will be more profitable for both salespeople, management, and the dealer.
BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars)	Our average front end gross is high at \$3892. That will drop as we implement a price aging strategy. However, our units should rise. If we can increase just 10 units a month, even with a drop in gross to \$2500, we will gain \$25000 front-end gross. By implementing a hard turn, our wholesale loss will decrease significantly, as our first loss is our best loss. Right now, we are holding the car and trying to retail it. Without a pricing strategy, the car gets walked around on the lot by salespeople because they know it is aged.

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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
Establish a Strict Price Aging Process	vAuto, Management, Sales Buy-In	Sales Management	No Dead Stock	Starting 7/1/23 with weekly checkpoints
Liquidate Current Old and Dead Stock	Owner Buy-In	GM, GSM, SM	Get inventory to the level we would like	7/1/23 with weekly checkpoints
Re-Market and Re-Price Aged Units	vAuto, Management, BDC	Sales Management	Have our old and dead units be the most merchandised	7/1/23 with weekly meetings to discuss status of said cars
Establish a 90 Day Hard Turn Policy	Dealer and Management Buy-In	Sales Management	Unless for a reason beyond our control, no vehicle will be on our lot at 90 days old	On 7/1/23 this process was implemented
Weekly meetings with GSM and SM to discuss our stock levels	vAuto	Myself, Sales Management	Be able to track our goal of hoping to drop each category 5% a month	We meet every Tuesday at 10am and will continue even after we reach our stock level we are happy with
We currently only use one auction for our wholesale units, we need to expand our outlets with our wholesale units to try to diminish the loss we take at 90 days.	Dealer and Management Buy-In	GSM	Get our wholesale units in front of more buyers and be able to feel more comfortable with a car at 60 days plus knowing we have more outlets	7/15/23 Start 8/1/23 ACV Sign-Up Weekly wholesale meetings to discuss what our out strategy is with each aging vehicle.
STEP 1 ( Sorry it's at the bottom) : Meet with Sales Management Team to discuss our current practices, and how we can sell more cars and have less headaches with old units.	Buy-In from everyone in the front-end of the dealership.	Myself, Sales Management, Sales Staff	Develop a vision and path forward that we all understand and are bought into.	7/1/23  I meet daily with the GSM and SM to discuss what we are doing and how things are going. So far, so good.

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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.

When we implemented these changes, I made weekly meeting times with Sales Management at both Dealerships to discuss inventory levels only. We hold daily Sales Meetings that I often take part of, but we focus those more on our Sales Staff and have the meeting more for them. Having a half hour to an hour time slot during the week that we can discuss what we are seeing, what our inventory levels are, and developing exit strategies has been crucial. I do not see that meeting going away as we have all come to enjoy it. I hope that with the continuation of that, a stronger team vision will grow and we will not revert back to what we were doing previously.

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

I had a meeting in the beginning of July with the GSM and Sales Managers to discuss their thoughts on what we were looking to implement. From there, they met with the Sales Staff to discuss the turn policies, pricing changes, etc.

Sponsor Signature:                     GEORGE C HUTTIG