

Departmental Action Plan

Student Name: Evan Schindel

Class & Student Number: N331-19

Academy Week:

Current situation or challenge you want to address:

1. Currently we pay a \$800 flat on any pre-owned vehicle that is in stock past 90 days. I don't believe this is increasing our sales and it is more stumbled upon. Our current commission YTD is almost 50% of our gross which is a direct result of this policy.
2. We also want to start tracking GAP as when analyzing our discounts, we notice we are selling our 0 to 30-day units with the biggest discounts because they have the most mark up.

Overall Objective and Specific Desired Results:

1. End the \$800 flat by July 1st 2018. Work with pre-owned managers on properly appraising and pricing the vehicle to market to lower number of units that hit 90 days. Have an exit strategy for vehicle with a high MDS. Price vehicles based on MDS to move them quicker.
2. Track GAP on our sales log so we can see if certain Managers or reps are giving away more than others for coaching opportunity. Lower discounts and keep closer to market pricing.

Describe your action plan in detail (be specific and include before and after measurements)

1. YTD we have paid \$55,200 in \$800 flats on 90 day units. This change will lower it to our regular flat of \$400 saving the dealership \$27,600 so far this year and aprox. \$66,240 over the year along with having a more focused strategy from the start.
2. Track GAP on our sales spread sheet to lower discounts , see current chart below based on 4 months of sales.

| AGE | AVG. DISCOUNT | SELL PRICE VS. MARKET | PROFIT |
|-------------|---------------|-----------------------|--------|
| 90+ | \$1090 | 89.63% | \$-836 |
| 60-90 Days | \$1423 | 90.44% | \$967 |
| 30 -60 Days | \$1625 | 93.69 | \$2014 |
| 0 - 30 days | \$1853 | 91.59% | \$2612 |

Timeline: Describe specific short term and long term checkpoints to monitor progress

1. End 90-day flats by July 1, 2018. Monitor commission payout on monthly statement to see commission is going down from current 50%.
2. Review GAP monthly for coaching opportunities and trends. Compare after 4 months with previous four months to see improvement.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

- a. Who: Pre-owned Managers, anyone who appraises and sales staff.
- b. What: Review appraisals more MDS focused to lower 90 days, have exit strategy (wholesale, auction other dealers etc.), track GAP.
- c. By When: July 1 end \$800 flat, track GAP by June 9th 11th on sale sheet.
- d. How: Meet with sales rep and show our current situation in pre-owned, explain strategy going forward and announce end of \$800 flat effective July 1.

Dealer agreement:

If you need your sponsors support or approval to implement your plan, have it signed off before you start. If you can proceed on your own, present this action plan to your sponsor before next class. Describe the meeting:


