



HOMEWORK ACTION PLAN

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

Name Thomas Slagle Class # PAG/016

Dealership Lexus of Stevens Creek Date 9/19/2023

| | | | |
|---|--|------------------------|----------------------------------|
| Current Situation or Challenge to be Addressed: | x Specific: To reduce the used vehicle reconditioning cycle time. | | |
| Current Performance Level (include specific measure): | Current Performance Level: Current cycle time from delivery start date to the used car front line is 6.8 Days | | |
| Goal (what do you want to achieve?) | Goal: To reduce the used car reconditioning cycle time to 4.5 Days. | | |
| Goal Performance Level (include specific measure) | Measurable: The team will utilize a "shared" file internal spreadsheet for accuracy of tracking. | | |
| Goal Start Date: | 9/1/2023 | Goal End Date: | 1/26/2024 |
| First Check-in Date: | 10/6/2023 | Performance Objective: | Objective of 6.0 Days Cycle Time |
| Second Check-in Date: | 10/27/2023 | Performance Objective: | Objective of 5.5 Days Cycle Time |
| Third Check-in Date: | 11/10/2023 | Performance Objective: | Objective of 5.0 Days Cycle Time |
| Fourth Check-in Date: | 12/15/2023 | Performance Objective: | Objective of 4.5 Days Cycle Time |
| How does your goal align with the dealers' vision? | The goal of reducing the reconditioning cycle time is in alignment with the dealer's vision of the unified goal of "speed to market." | | |
| What are the potential benefits of achieving your goal? | The potential benefit of increased sales from "speed to market" and not having a static inventory, tying up inventory expense. | | |
| What are the potential consequences if you don't achieve your goal? | Static inventory and tied up inventory dollars. Additionally, not having freshly rotating inventory available for the shopping savvy consumer, they will shop elsewhere. | | |
| Why is the goal important to you? | Having an efficient and time bound reconditioning cycle time will create reliable revenue for the fixed operations, the sales department, and a finance opportunity. This equates to a | | |

HOMEWORK ACTION PLAN

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

| | |
|--|--|
| | balanced and predictable process then in Mission Critical for short and long term profitability. |
| Potential Obstacles | The sales campus and service campus are separated by 6 miles. This in turn, creates a hardship from just a geographic perspective. Moving the vehicles to the recondition center requires the headcount just to move the cars from sales, to reconditions, and eventually back to sales – which erodes the ability to manage the cycle time. |
| Potential Solutions | Assign and adopt three rotating technicians that work out of the sales campus to expedite the cycle time, without the dilemma of the 6 mile separation |
| BOTTOM LINE! Financial Impact of Achieving Your Goal (expressed in dollars) | Bottom Line! Reducing the cycle time and using "The Speed to Market" formula of a reduction of 7% cycle time would have a potential improvement of \$27,480 monthly, using a 90 Day Used vehicle volume of 119 sold units. Annual potential improvement of \$329,755 |

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 |
|---|---|---|---|---|
| Build a universal/shared tracking spreadsheet for transparency and accountability. | Shared File/Excel Spreadsheet | GSM Barry Johnson and Used Car Assistant Chris Johnson | Reduce number of access tools. One view, faster result. | Start Date: 09/01/2023 Checkpoint: Daily |
| Assign two technicians to sales facility. | Assign Headcount to Organization Chart. | FOD - Rafael Orellana | Reconditioning technicians onsite for faster turn. | Start Date: 10/01/2023 Checkpoint: Monthly |
| Upgrade the paint booth with an internal heater and "down draft" feature at the reconditioning center to accelerate the bumper and cosmetic turn. | Working with the general contractor and the city to install upgraded paintbooth | FOD and GM. This is a robust investment and is forecasted on Capex. | Currently, there is a 3 day turnaround for cosmetic repairs with the existing non-heated paint booth. We are calculating a 1 day turn around with | Start Date: in process, waiting on permits Checkpoint: By Weekly |

HOMEWORK ACTION PLAN

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

| SPECIFIC ACTION/STEP | NECESSARY RESOURCE(S) | ACCOUNTABLE PERSON(S) | EXPECTED RESULT | START, END, & CHECKPOINT DATES |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | | the upgraded paint booth. | |
| Click or tap here to enter text. |
| Click or tap here to enter text. |
| Click or tap here to enter text. |
| Click or tap here to enter text. |

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.

The previous habits are already being challenged with constant communication and having the cosmetic team involved with every discussion about the expectations of this large investment. The dialogue does not always have to come from the “top” – the message has heighten clarity when it starts prior to the process.

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

In the city of Satna Clara, processing a permit takes many months. The permit has been filed. We have the general contractor and the paint booth solutions vendor in touch with each other. The paint booth has been ordered and a few modifications to the existing footprint is under way.

Sponsor Signature: _____

