

PARTS HOMEWORK – ACTION PLAN

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?
Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15."

S **M** **T**

I want to increase our Internal Parts GP from around 37% to 41% by January '24.

How does this goal align with or support your dealer's vision?
What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?
Why is this goal important to you?

R

I believe that the Beaver's have always found the importance in maintaining the health of all our departments. As our Used Car Department continues to expand, the importance of staying aligned with the "NADA guide" becomes increasingly crucial. Failing to achieve this alignment now may lead to greater challenges in reorienting ourselves to the standard over time. This is personally significant to me, given that we have achieved the status of being the largest Used Car Dealer in Northeast Florida. However, this achievement loses its significance if we compromise the health of other departments to reach this milestone.

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How will you track your progress? Where will you find the information? How often will you check in?

S M A T

Weekly monitor the gross profit of parts sold internally in our parts DMS report. We have just started to increase the smaller items but feel as if the discounting the larger items are what typically create our issues.

Potential Obstacles?

A

Push back from the sales department. The willingness of the counter guys the appease the sales team.

Potential Solutions?

A

Hold firm on larger ticket items, bite the bullet.

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?

S M R T

Increase our parts gross profit by roughly \$10,000 monthly by just a 4% increase on parts.

CONGRATULATIONS! You've accomplished your goal! You 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.

S A

We have only raised our GP by 2% so far but are moving in the right direction. We had a few setbacks with the initial adjustments but are diligently moving in that direction.