NADA ACADEMY

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."*

I will increase my gross profit % on internal (new / used) part sales from 29% to 38% by 3/31/24

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?

Adhering to this SMART goal should nourish stronger fixed operations, which should in turn provide a better workplace culture and overall experience for the customer.

The most obvious benefit of achieving this goal would be additional gross profit to the parts department, and ultimately the dealership. Increasing internal GP will also provide a slight increase in pay to our parts manager, who is absolutely crucial to that department's success (and fixed ops in general).

The largest 'consequence' of failing to meet this goal would be leaving money on the table. By targeting interal GP %, we are simply 'raising' ourselves and not the traditional external customer. The only other consequence may be pushback from the preowned manager; however, when we analyze the additional cost per RO (~$100 thru Nov '23), it is so nominal that we can easily remind him to hold $100 more negotiation.

NADA ACADEMY

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 RESOURCES?	WHO IS ACCOUNTABLE?	EXPECTED RESULT?	EXPECTED COMPLETION DATE?	ACTUAL COMPLETION DATE?	CHECK OFF
Change internal prices to reflect	CDK rep	Director of Ops (Tim Timmer)	Increased GP% on internal part	1/15/23		☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐
						☐

PARTS HOMEWORK – ACTION PLAN

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

I will use monthly financial statements to track any changes in GP% specific to internal part sales.

I will also get with CDK and our parts manager to determine if there are reports in the DMS that we can pull between statements.

Potential Obstacles?	Potential Solutions?
Minimal. Pushback from the preowned manager. For our specific dealership, I feel that focusing on interal GP% is going after the low hanging fruit. It appears to be the smallest change with one of the greater effects (per our Excel pro forma).	If the preowned manager pushes back, share the math that proves we're only talking about approximately $100 additional cost to each preowned RO (based on Nov 23 YTD figures).

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

Based on our Nov '23 statement, enacting this SMART goal should pickup an additional $4,507 in gross profit dollars thru 3/31/24. Annualized, this small change should pickup close to $20k in gross profit thru 12/31/24.

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.

This should be a very easy goal to monitor. CDK reports and monthly financial statements will determine how much additional GP $ we pickup in 2024.