

DEPARTAMENTAL ACTION PLAN



DEALERSHIP: CAJASA CAMIONERA DE JALISCO S.A. DE C.V.

ACADEMY WEEK: FIXED OPERATIONS 1-PARTS

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CLASS & STUDENT NUMBER: 039-22

CURRENT SITUATION



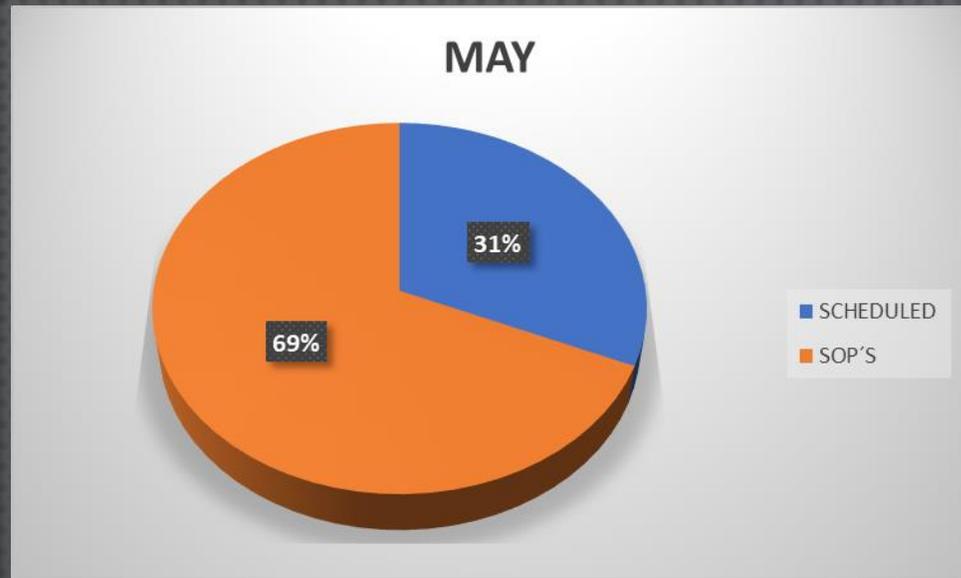
BAD INVENTORY MIX / NO ONE TRACKING SOPS

OUR PARTS DEPARTMENT IS HAVING A PROBLEM OF INVENTORY MIX, THE PERCENTAGE OF SOP IS VERY HIGH AND THIS IS INCREASING OUR OBSO. THE WORST PART IS THAT THE PERSON WHO USED TO BE ON TRACK OF SOP'S WAS MOVED TO ANOTHER POSITION AND THE PARTS MANAGER WASN'T AWARE THAT THIS ACTIVITY WAS LEFT BEHIND WITH NO ONE FOLLOWING UP.

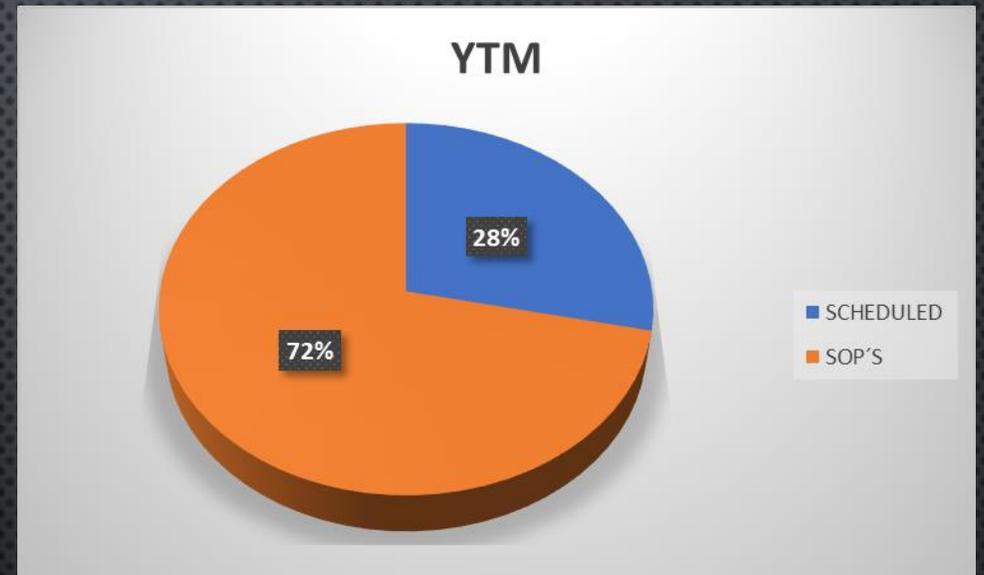
PARTS DEPARTMENT ON OUR COMPANY IS A BIG AREA WITH COMPLEX OPERATIONAL ISSUES AND A HAS A BIG BUSINESS STRUCTURE WITH SEVERAL GEOGRAPHICAL POINTS AND PROVIDING SEVERAL SERVICE OPERATIONS. I GOT INTO ANALYZING OUR PURCHASES AND REALIZED THAT WE WERE CAPTURING OUR ORDERS IN A WRONG WAY. ALMOST ALL ORDER WERE RECAPTURED IN THE DMS AS URGENT OR SPECIAL WITHOUT BEING SPECIAL ORDERS

DMS DATA

TOTAL PURCHASE MAY MONTH AND YEAR TO MONTH



MAY		
SCHEDULED	SOP'S	TOTAL
21397	46619	68016
31%	69%	100%



YTM		
SCHEDULED	SOP'S	TOTAL
103,710	262,021	365,731
28%	72%	100%

OVERALL OBJECTIVE

1ST: RE ASSIGN THE RESPONSIBILITY FOR SOP'S TRACKING ACTIVITY TO SOME ELSE. REGISTER SOP'S WITH THE CORRECT LABEL TO HAVE ACCURATE DATA

2ND: BRING BACK FROM ALL THE STORES TO THE MAIN WEARHOUSE ALL THE PARTS THAT HAVE MORE THAN 12 MONTHS IN SHELF.

3RD: DEVELOP WITH IT A REPORT FROM OUR DMS TO MAKE SURE EVERYONE KEEPS TRACK OF THE CORRECT BALANCE IN STORE

4TH: RE-EDUCATE ALL OUR SPECIAL PARTS BUYERS AND MAKE A PROVIDER CERTIFIED CATALOG TO MAKE SURE WE ARE MAKING THE BEST BUYING NEGOTIATIONS AND TO RETALIATE ANY BAD PRACTICES

PROPOSED TIMELINE

Task	Due Date
1. Assign the one in charge of tracking SOP'S	07/14/18
2. Register SOP'S in the DMS with the correct Label in order to have accurate info.	07/14/18
3. Bring back to the main warehouse OBSO parts from all the stores	07/31/18
4. Negotiate the GPRP Navistar program with the OE for OBSO destruction	08/20/18

ACTION PLAN

- DESCRIBE NECESSARY ACTIONS TO REACH DESIRED RESULT

1. AFTER ASSIGNING SOP'S RESPONSIBLE IS IMPORTANT TO MAKE SURE THE PROCESS AND THE INTENTION OF HAVING THIS DONE IS CLEAR AND WELL UNDERSTAND. WE WILL HAVE THE OUR GROUP OPERATIONAL MANAGER TO GIVE SOME FEEDBACK TO THIS PERSON.

2. HAVE A SOP'S SPECIAL LOCATION ON THE WEARHOUSE TO KEEP VISUAL TRACK OF THE PARTS

3. HAVE THE PERSON IN CHARGE OF THE STORES INVENTORY TO SEND AN EMAIL TO THE STORE MANAGER TO SEND BACK PARTS WITH MORE THAN 12 MONTHS IN INVENTORY

4. THE OPERATIONAL MANAGER OUGHT THE MAKE AN OBSO ANALYSIS IN ORDER TO DETERMINE IS CLASSIFIED CORRECTLY O IT SHOULD BE RECLASSIFIED.

5. THE OPERATIONAL MANAGER IS GOING TO DEVELOP AN INTERNAL BEST PRACTICE EDUCATIONAL PROGRAM WITH A PERIODICAL EVALUATION.

6. A DISPOSAL OBSO PROGRAM NEGOTIATION IS BEING HELD WITH OE IN EXCHANGE FOR MOVING PART PURCHASE.

MEETING WITH DEALER

ACTION PROPOSED:

SHOW THIS PRESENTATION TO THE DEALER IN ORDER TO GET HIS APPROVAL FOR THIS ACTION PLAN AND TO GET THE APPROVAL TO MAKE AN INVESTMENT ON MORE INVENTORY PURCHASE



MEETING WITH STAKEHOLDER(S) (DEALERSHIP PERSONNEL)

DESCRIBE WHAT IS IN PLACE TO SUPPORT DESIRED GOAL:

- TRAINING / COACHING / ±CONSEQUENCES RELATED TO RESULTS / PAIN & GAIN

TRAINING AND COACHING: WE IDENTIFIED THAT EDUCATION IS THE MAIN SUBJECT TO WORK ON WE HAVE A LOT OF NEW PERSONEL WITH NO EXPERIENCE ON PARTS INDUSTRY.

WE DO HAVE WITH SOME WAREHOUSE PREVIUOS EXPERIENCE BUT WE HAVE A LOT TO DO IN TRAINING WITH OUR PERSONEL. 90 % OF OUR MAIN WAREHOUSE PERSONEL HAS LESS THAN A YEAR IN THE COMPANY.

NOT IMPLEMENTING THIS IS NOT AN OPTION. IN ORDER TO HAVE BETTER RESULTS IN THE OVERALL WE HAVE TO FIRST WORK IN THIS PARTICULAR ISSUES.

WE GET BACK CASH FLOW THAT IS ACTUALLY FORZEN IN OUR OBSO INVENTORY.

BEING AWARE OF THE STORE ROTATION WILL GIVE US GREAT CAPACITY OF MAKING THE RIGHT DESITIONS

HAVING IT SUPPORT TO GET US A DASHBOARD WITH THE KPI'S WILL TAKE US TO BEST PRACTICE IN OUR INVENTORY

ACCOUNTABILITY: MONITORING PROGRESS

WHAT	WHO	WHEN	HOW
1. After assigning SOP'S responsible is important to make sure the process and the intention of having this done is clear and well understand. We will have the our Group Operational Manager to give some feedback to this person.	OPERATIONAL PARTS MANAGER	7/16/18	DEVELOPING WRITEN PROCESS PRESENTATION AND HAVING EDUCATIONAL MEETINGS WITH ALL THE INVOLVED PERSONEL
2. Have a SOP'S special location on the Wearhouse to keep visual track of the parts	WAREHOUSE SUPERVISOR	7/30/18	THERE ARE SOME UNUSED RACKS SO THERE IS NO NEED OF ADDITIONAL INVESTMENT
3. Have the person in charge of the stores inventory to send an email to the store manager to send back parts with more than 12 months in inventory	PURCHASE SUPERVISOR	7/16/18	SEND AN EMAIL REGARDING THIS SUBJECT
4.The operational manager ought the make an OBSO analysis in order to determine is classified correctly o it should be reclassified.	OPERATIONAL PARTS MANAGER	7/30/18	IT DEVELOPED A REPORT TO HAVE THIS INFO REVISED
5.The operational manager is going to develop an internal best practice educational program with a periodical evaluation.	OPERATIONAL PARTS MANAGER	9/30/18	DEVELOPE THE BEST WAREHOUSE PARTS PRACTICE PRESENTATION

KPI'S REPORT

Valor de Inventario por Departamento de Ventas de Refacciones									
Sucursal	Almacen	Departamento	Valor de Inv.	Valor Muertos	Costo de Venta	Piezas Vend.	Nivel Inv	Rotacion	MesesInv
A60	MTRZ	REFACG: REFACCIONARIA GUADALAJARA	\$31,422,382.31	\$6,230,934.13	\$1,390,091.45	4460	\$4.15	\$0.53	
A60	ALEG	REFA70: REFACCIONARIA DEDICADA LEGUSA	\$4,262,897.94	\$2,820,115.09	\$34,686.10	932	\$0.76	\$0.1	
A60	LC62	REFA62: REFACCIONES L. CARDENAS	\$3,665,305.19	\$1,066,499.15	\$716,884.24	1102	\$18.34	\$2.35	
A60	SJ73	REFA73: REFACCIONARIA SAN JUAN	\$2,146,691.28	\$38,218.90	\$759,113.40	947	\$33.15	\$4.24	
A60	CM68	REFA68: REFACCIONARIA MANZANILLO	\$1,683,734.83	\$187,754.23	\$474,638.91	852	\$26.43	\$3.38	
A60	TE61	REFA61: REFACCIONES TEPATITLAN	\$1,648,134.84	\$225,613.73	\$895,652.80	951	\$50.95	\$6.52	
A60	BA66	REFA66: REFACCIONARIA BASE AEREA	\$1,340,503.82	\$121,936.78	\$654,790.05	924	\$45.79	\$5.86	
A60	TSDE	TALL69: TALLER SERVICIOS DEDICADOS (TSD)	\$1,091,163.46	\$349,368.93	\$486,647.23	2523	\$41.81	\$5.35	
A60	PV65	REFA65: REFACCIONARIA PUERTO VALLARTA	\$1,065,684.12	\$84,329.75	\$264,187.55	457	\$23.24	\$2.97	
A60	CN71	REFA71: REFACCIONARIA CENTRAL NUEVA	\$1,046,591.79	\$31,703.35	\$586,730.51	850	\$52.56	\$6.73	
A60	CMHG	TALL62: TALLER LAZARO CARDENAS	\$1,003,563.13	\$255,258.14	\$106.36	3	\$0.01	\$0	
A60	CMHG	TALL71: TALLER DEDICADO CMH	\$1,003,563.13	\$255,258.14	\$135,387.80	467	\$12.65	\$1.62	
A60	ACOL	TAI TALL99: TALLER RECONSTRUCK LAZARO CARDENAS	\$502,842.09	\$8,419.02	\$219,215.43	228	\$40.87	\$5.23	
A60	GG75	REFA75: REFACCIONARIA GONZALEZ GALLO	\$411,465.75	\$0.00	\$42,671.07	100	\$9.72	\$1.24	
A60	ALEG	TALL72: TALLER NUEVO LEGUSA	\$0.00	\$0.00	\$278,543.02	1261			
A60	CM68	TALL68: TALLER MANZANILLO	\$0.00	\$0.00	\$245,926.18	868			
A60	CM68	TALL71: TALLER DEDICADO CMH	\$0.00	\$0.00	\$26,704.52	98			
A60	LC62	TALL62: TALLER LAZARO CARDENAS	\$0.00	\$0.00	\$287,823.01	570			
Total			\$52,294,523.68	\$11,675,409.34	\$8,958,136.97	23160	\$16.06	\$2.06	\$5.530000000

DESCRIBE CHECKPOINTS THAT HAVE BEEN ESTABLISHED TO MEASURE PROGRESS:

- DAILY / WEEKLY / BI-WEEKLY / MONTHLY /
 - SOP'S WILL BE CHECKED DAILY WITH PARTS MANAGER AND OPERATIONAL MANAGER IN A FORMAL MEETING
 - THERE'S AN OPERATIONAL WEEKLY MEETING WHERE WE ARE GOING TO TRACK PROGRESS
 - IN THE MONTHLY RESULTS MEETING WE WILL CHECK WITH THE DEALER THE FROZEN CAPITAL
 - IN THE MONTHLY OPERATIONAL MEETING THE ROTATION , OBSO AND INVENTORY MIX WILL BE ANALYZED FROM THE KPI REPORT.

ESTIMATED COST FOR IMPLEMENTATION:

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1. After assigning SOP'S responsible is important to make sure the process and the intention of having this done is clear and well understand. We will have the our Group Operational Manager to give some feedback to this person.	OPERATIONAL PARTS MANAGER	7/16/18	DEVELOPING WRITEN PROCESS PRESENTATION AND HAVING EDUCATIONAL MEETINGS WITH ALL THE INVOLVED PERSONEL
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IMPLEMENTATION COST

- GROUP OPERATIONAL MANAGER SUPPORT WILL HAVE AN EXTRA COST FOR HIS SUPPORT. THIS IS GOING TO BE THE HOTEL, MEALS AND SALARY. UNSUED RACKS WILL BE ASINGED FOR THE SOP'S RACK SO THERE WILL BE NO NEED TO MAKE ADDIONAL INVESTMENT. BRINGING BACK INVENTORY FROM OUR STORES WILL NOT HAVE AN EXTRA COST BECAUSE WE HAVE A LOGISTIC DELIVERY IMPLEMENTED THAT CAN BE USED TO TAKE PARTS BACK TO THE MAIN WAREHOUSE. WE NEED TO USE OUR IT DEVELOPER TO BUILD THE KPI DASHBOARD THIS WILL HAVE A PROYECT INTERNAL COST.

IMPACT AREAS:

- SALES: THIS ACTION PLAN IS NOT GOING TO HAVE A DIRECT IMPACT IN SALES BUT IT COULD IMPACT INDIRECTLY BY BALANCING THE INVENTORY, LOST SALES CAN BE REDUCED AND THIS COULD HELP INCREASE GROSS BY INCREASING SALES VOLUME.
GROSS: GETTING FROM OBSO WITH NAVISTAR GPRP PROGRAM WILL NOT AFFECT GROSS DIRECTLY
EXPENSES BY GETTING HELP OF OUR GROPU OPERATIONAL MANAGER WE COULD GET SOME EXPENSES INCREASED GENERALLY HIS SERVICES TO US ARE BEING CHARGED NET
PROFIT: WE ARE GOING TO HAVE UNFROZEN CAPITAL AFTER TAKING THE GPRP PROGRAM BUT WE WILL HAVE TO MAKE A SPECIAL PURCHASE THAT COULD HAVE US PAYING INTERESTS FOR THE OVER INVENTORY. THIS KEEPS US AWARE BUT CALM BECAUSE ITS BETTER TO HAVE EXTRA INVENTORY OF PARTS THAT WE KNOW WE CAN MOVE THAN HAVING OBSO IN OUR BALANCE. WE WILL BE CHECKING FOR A REDUCTION ON THE BALANCE SHEET IN THE PARTS INVENTORY LINE 29 AFTER THE PROJECT IS COMPLETED