

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

My focus is to decrease the parts department special order parts obsolescence from \$54,234 to \$10,000 or under over the next 2 months ending may 31st.

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

- For the dealer vision, less frozen capital is key to maintaining and running the dealership.
- The benefits of achieving this goal will be to have more usable space in the parts department and higher sales and sold hours per repair order of the parts being installed through the service department, which means more gross for both parts and service departments.
- The consequence would be lost sales, more frozen capital, less net from parts sitting/thrown out.
- This goal is important to me because my current parts manager has always had a hard time with this loss and averages about \$3000/monthly in written off parts that are put to his policy and tossed in the garbage, and the many options we have to discount and try other resources to sell these parts will drastically help the departments loss.

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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

Print/view parts department dms report in cdk and verify with parts manager the accuracy of the report. Also have visual idea by having specific racks/bins location for each advisor who orders sop for their customer/repair orders. I will do this on a bi-weekly basis.

Potential Obstacles?

A

A potential obstacle would be that there is no need from outside consumers (ebay,junkyards,other dealers) for specific part.

Potential Solutions?

A

A possible solution would be to write off on parts department policy and toss part in garbage but is not ideal, Scraping would be better option if it is a steel/aluminum part to try and recoup for pennies on the dollar which is better than nothing.

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

S M R T

I would hope to recover 50% of the \$44,234 goal in sop obsolescence which would be recoup \$22,117

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

Bonus/reward monthly for service advisors who have least amount of \$ in sop obsolescence. Holding advisors accountable to keep communicating with customers to schedule and make sure correct part is being ordered right 1st time by a call log.