

Departmental Action Plan

Dealership **TOYOTA OF GREENVILLE**

Student Name **MIKE O'LEARY**

Academy Week **Week 2 - Fixed Operation - Parts**

Class & Student Number **DCA999**

**Current Situation** **Parts Inventory to Lein** My parts manager does a fantastic job managing the inventory and running the department - However, we are too lein in inventory - currently we are at a 18 DSI. This is causing us to have way to many emergency purchases from our competitors and also not supplying our techs with the correct parts the first time.

**Overall Objective:** **Objective 1:** Educate my parts manager as to why running to lein is costing the department and the dealership money last 90 days. **Objective 2:** Increase parts inventory with parts that have had 5 or more sales in the last 90 days. **Objective 3:** Manage our daily stock order

**Proposed Timeline** **Proposed timeline:** **Step 1:** Review current inventory Due date: August 31,2018 **Step 2:** Have roundtable meeting with Techs,advisors, parts manager, parts counter Due date: August 31,2018 **Step 3:** Meet with Southeast Toyota regarding top selling parts Due date: August 31, 2018

**Action Plan** **Describe necessary actions to reach desired result:** **Step 1:** Everyday we must review the suggested stock order **Step 2:** Everyday we must track "lost sales" using our DMS **Step 3:** Monthly we must have a roundtable meeting to discuss areas of opportunity in the parts department. For example we found out that we were stocking more brakes but were still having issues with shim kits - we were able to resolve this by including the techs in our meetings. **Step 4:** Monthly we must review our emergency purchases **Step 5:** Monthly we need to consult with Toyota on suggestions they have for our parts inventory **Step 6:** Weekly we need to do a First time fill rate excercise and compare week to week results

**Requirements** **Meeting with Parts and Service Manager** 1. **Action Proposed:** Proposed the above action plan to the managers and make sure everyone is on the same page - once the managers sign off on it then we must present to the parts counter associates / advisors / and techs

**Meeting with stakeholder(s) (dealership personnel):** Parts associates, Parts Manager, Service Manager, Service Advisor, Techs **Describe what is in place to support desired goal:** 2. If we all put 100% effort into this - we will all benefit. Better for our customers

**Accountability: Monitoring progress:** **Who:** Parts counter, Service advisors, Parts manager and GM **What:** Parts advisors responsible for tracking lost sales - Parts manager responsible for reviewing all information collected and order proper inventory - GM responsible for first time fill rate **By When:** We are working on this plan now and will keep working on this daily!

**Describe checkpoints that have been established to measure progress:**

**Daily / Weekly / Bi-weekly / Monthly /**

Daily – Parts manager to review daily stock order

4.

Weekly - Conduct a First time fill rate evaluation

Weekly – Review Lost sales and emergency purchases

Monthly - we will have roundtable meeting to track results from the month and get input from all associates

5.

**Estimated cost for implementation:** The only cost associated with this is the increase of dollars spent on the inventory itself

Projected Date of  
Completion:

DECEMBER 31, 2018

Sponsor Signature:

JENNIFER MELTON AND MIKE OLEARY

**Evaluation of Results: Include measured results.**

(± Metrics)

**Impact Areas:**

**Sales / Gross / Expenses / Net Profit / CSI /**

**Sales:** We will sell more parts if we have more to sell and the parts that are desired

**Gross:** We will generate more GP by selling more parts also we will not have to pay hourly employees to pick up parts from other Toyota dealerships and paying them a profit for the parts we purchase from them.

**Expenses:** Increase in Parts Inventory

**Net Profit:** While selling more parts we will generate more gross in return the store will net more!

**CSI:** Having more inventory and again the right inventory will allow us to touch the vehicle 1 time and get the customer out of here in a timely manner. Right now customers are having to leave there vehicles overnight or come back for us to finish the job - in todays day and age no one has time for that - this will be a benefit to our customers and our technicians!