

Departmental Action Plan

Dealer: Sutaru of Nantmo

Student Name: Keith Ladouceur

Academy Week: Fixed Ops 1

Class & Student Number: N337

Current Situation: Parts Department currently holds 7% of their total inventory in parts over the age of 12 months vs the Nade standard of 5% or less. Upon further investigation, it has been determined that the most heavily weighted segment of this obsolete inventory originates in the form of a Special Order Part. Why are they not being picked up? How do we reduce the risk that the department takes when ordering these parts?

Overall Objective: 1) reduce the current amount of parts in obsolete status to represent 6% (or less) of the total inventory value. 2) define the reasons why special order parts are not being picked up and paid for. 3) reduce the risk that the Parts Department takes when ordering a part on someone's behalf as well as the space occupied by aging parts. 4) create a new SOP parts ordering process. 5) Manage and measure performance of this process.

Proposed Timeline: Step 1. Define the reason why clients or departments within the dealership are not collecting and paying for parts they have requested by ordered. Due date Aug 15 2018. Step 2 create a new SOP process which ensures that not only the parts will be paid for, but that also they will be picked up, or installed by the shop as soon as possible. Due date Aug 31st 2018. Step 3) Track and measure level of obsolescence until it has been reduced below the desired threshold. Due date ONGOING.

Action Plan: 1) define the current level of obsolescence with Parts and Service Staff, and define that the objective is to reduce it to 5% or less than the total value of parts inventoried within the dealership. Define with parts/service staff the reality that the heaviest segment of parts contributing to obsolescence is SOPs. 2) Create a new SOP process which implements checks and measures to ensure that the Parts Department is not at risk of the parts not being paid for or picked up. The most important component of this new process involves enforcing the prepayment of retail SOP, and that an appointment for install, or pickup of those parts MUST take place before the client exits the dealership. 3) Manage the new process, and measure the results month over month with reporting.

Requirements: Meeting between GM, Fixed Ops Manager and Parts Manager to create new SOP process.

Meeting with Fixed Ops Manager, Parts Manager, Service Manager, Service Advisors, Parts Advisors and CRM staff. This meeting will define the issue which is excess obsolescence, define the main contributing factor (SOPs), and outline the process to be used moving forward for SOPs. The new process will be described in the group setting in great detail. A question and answer period will be conducted to make sure there are no stakeholders confused. The timeline, and the method in which progress will be measured is described before the session concludes. One on one sessions to be conducted by managers which will include scripting to overcome clients objectives, and bring value to the new process

Accountability: Monitoring progress:
 Who: GM Keith Ladouceur, Parts Manager Michelo Rusch, Service Manager Robin Harvey.
 What will be measured: The percentage of obsolescence as it relates to overall value of inventory.
 By When: Deadline to achieve <5% obsolescence October 31st.
 Method of tracking progress will be via our DMS reports weekly, numbers will be compiled every monday. HOW will it be accomplished? by following the new Special Order Parts process which requires prepayment of retail parts, and requires an appointment for install or collection of these parts prior to the client leaving the dealership

Describe checkpoints that have been established to measure progress:
 Daily / Weekly / Bi-weekly / Monthly /
 Dates for review: Weekly review of all outstanding SOPs still on shelves

There is little to no expense involved in the new process.

Projected Date of Completion: 90 days

Sponsor Signature: 

Evaluation of Results: include measured results. (1 Month)
SALES: The risk involved for the business to invest in special order parts that may or may not be paid for, or picked up is reduced. It eliminates the process of investing and storing parts in the hope of delayed gratification of payment is reduced. Immediate return on investment is ensured. A side effect will be the ability to install those parts on vehicles sooner rather than later. has the ability to increase parts dept volume AND service department volume, and in doing so increase the total sales for each department. **GROSS:** By devoting less space in the Parts Department with slow moving or stagnant parts allows for the opportunity to stock MORE rapidly moving parts. higher turn rates, and larger overall Gross Profit generated by the month, quarter, year etc. **EXPENSE:** no discernible expenses involved in this business plan. **NET PROFIT:** The Net Profit bottom line of the business will not be as vulnerable to the negative effected of write offs, or selling aging/obsolete parts will little to no profit left remaining in them. CSI. any time that the client's needs are being met in a predictable way, customer satisfaction will be enhanced. The policy of prepaying parts, and prebooking appointments requires a conversation that sets expectation. By asking for payment at the time of sale, it sets up the conversation surrounding when the part is due to

PLEASE BE ADVISED THIS ASSIGNMENT BY IT'S SELF IS WORTH 100 POINTS TAKE YOUR TIME AND GET IT CORRECT

arrive. This is stipulated in the process. If the part is due to arrive on August 30th, we can set the appointment for install for the 31st. The client is clear, the client is informed, the client and advisor are in control of the result. The dealership is put in a position of setting the experience up for success by planning in advance. This is what being a professional is all about. WIN WIN!

Verification Form Regarding the Departmental Action Plan

Fixed Operations 1 Week Post-Class Homework Assignment

Dear Academy sponsor,

One of the post-class homework assignments given to your manager at the conclusion of week two at the Academy is the Departmental Action Plan form.

The student's assignment is to show you the format of the assignment, explaining to you the purpose of crafting a departmental action plan after week 2 of the Academy. This assignment will be completed four separate times, (classes 2-5) after the student has attended the fixed operations 1 parts week, the fixed operations 2 service week, the variable operations 1 class week and the variable operations 2 class week. The progress of the student's departmental action plans will be assessed by each of the Academy instructors in weeks 2 through 5 of the Academy. Please sign this form below which indicates that the student has reviewed the departmental action with you, and have your student bring the form with them, when they return for their fixed operations 2 parts class. We will collect these forms at that time from the students. The student will receive a pass/fail grade, based upon whether they submit this form signed by you. This is being done in order to verify that each student has shared the Departmental Action Plan with their sponsor.

Thank you for your cooperation.

Sponsor's Printed Name O. Booth Sponsor's Signature 

Date 9/13/2018

Very truly yours,