HOMEWORK – ACTION PLAN

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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, 2020."*

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I will increase my Parts Department Months' Supply from 1.15 Months (Oct 2024) to 1.5 Months by June 31, 2025.

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?

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Our dealer's vision is "Serve others well." Although our number of lost sales is quite low each month, our First Time Fill Rate has room to improve around 70%. It is much easier to "Serve others well" when we have the parts on the shelf ready to meet their need. This will require increasing our Months' Supply by approximatley 30%.

Benefits:
1. Increased customer satisfaction, both on the front counter and in the service department.
2. Increased service tech satisfaction.
3. Increased Sales Counter Person as well as Sales Manager salary and job satisfaction.
4. Increased Parts Department Gross Profit through higher FTFR and lower Lost Sales.

Consequences:
1. Continued average customer satisfaction.
2. Continued frustration from our service department as techs need to be switched from jobs we don't have parts for to another job we do have parts for.
3. Lower FTFR.
4. Higher number of Lost Sales.

This goal is important to me to "Serve others well." We need to have the right parts on the shelf at the right time.

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.

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SPECIFIC ACTION/ STEP	NECESSARY RESOURCES?	WHO IS ACCOUNTABLE?	EXPECTED RESULT?	EXPECTED COMPLETION DATE?	ACTUAL COMPLETION DATE?	CHECK OFF
Owner & CFO Discussion	ATD Guide, ETER info, Lost	Operations	Hesitancy/Push-back	1/6/2025		☐
Parts Mgr. Discussion	ATD Guide, ETER info, Lost	Operations	Hesitancy/Push-back	2/3/2025		☐
Parts Mgr. & Asst. Mgr.	ATD Guide, ETER info, Lost	Operations	Buy-in	2/10/2025		☐
Closer look at Navistar DIA	Unsure	Parts Mgr.	Possible room for adjustment	2/17/2025		☐
Plan to increase stock order	Stock Clerk time	Asst. Mgr., Stock Clerk	Room for increased time	3/3/2025		☐
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How will you track your progress? Where will you find the information? How often will you check in?

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I will track my progress using the Months' Supply per the Financial Statement. I will monthly analyze my Gross Inventory Turns (10.5 currently) and True Turns (8.8). I will work witht the Parts Manager to do a more accurate job of tracking Lost Sales (4 currently) and our First Time Fill Rate.

Potential Obstacles? A	Potential Solutions? A
Push-back from the CFO due to increased inventory spending.	Show how increasing our Months' Supply will result in high Gross Profit, higher customer satisfaction, and higher turns.
Push-back from the Parts Manager due to constraints withi Navistar DIA.	Research Navistar DIA to understand our limitations here.
The stock clerk could be stocking in around 30% more parts than current. Does he have the time?	Remove extras from his to-do list and prioritize his stocking role.

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

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This may mean an increase of $93,332 to our inventory, but if we can increas our turns by 0.5 we may be able to increase our Parts Department Gross Profit by $476,000.

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

Closely Monitor our Months' Supply and Navistar DIA to ensure we are stocking the right parts at the right time. Closely Monitor our FTFR and Lost Sales using newly designed reporting tools within the Department.