

# 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 RICH HARTMAN Sponsor's Signature   
Date 10/3/18

Very truly yours,

## Departmental Action Plan

Dealership **Five Star Toyota**

Student Name **Allen Erickson**

Academy Week **Week 2**

Class & Student Number **N338**

### Current Situation

Parts counter retail currently at 29.6%. Nada guide is 41%. We are currently at 69% for our Factory RIM (Retail Inventory Management) program, We need to be at 85% to participate. Also we can do a better job tracking lost sales. Currently everyone isn't on the same page what is and isn't a lost sale. We know how to track them in our DMS, we just aren't all on the same page and doing it properly.

### Overall Objective:

To increase parts counter retail to 41% and above. Based on my proforma calculation, increasing my parts counter retail from 29.6% to 41% will generate an additional \$15,973 in Gross Profit. Get our RIM program to 85% and above to help with factory return parts, free freight on factory parts, & stock order discounts. Track lost sales accurately in our DMS.

### Proposed Timeline

60 days and review monthly.

### Action Plan

Setup pricing matrix for front counter retail. New markup is 1.69%. Immediately start using factory parts for used car reconditioning, pulled a list of all used gm vehicles sold this year. Will stock brake pads/ calipers and other maint items on

high volume models that we sell. This will also cut freight expenses and we'll also stock order discount. Any RIM order parts we can also return after 12 months of age. This will help with not having OBSO parts. Reviewed parts quiz with all parts employees and determined what is and isn't a lost sale so it can be accurately tracked in our DMS.

**Requirements**

1. Use new pricing matrix at parts counter, 1.69%. Use gm factory parts on used car reconditioning. Accurately track lost sales in our DMS.

2. pricing matrix is setup correctly in our dms for counter retail at 1.69%. Communicated with counter parts personnel that all used internal vehicles use factory gm parts. Trained all parts personnel on how to properly mark a lost sale in our dms

3. Accountability: Monitoring progress: Monitor weekly/monthly by pulling doc report or financial statement to measure counter retail %. We can measure our Rim program weekly in GM Global Connect. This shows stocking performance and loyalty percentages. We can measure our lost sales on our monthly dms parts inventory management report.

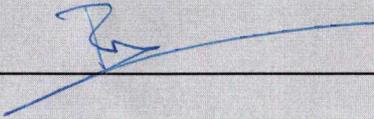
4.

5. Estimated cost for implementation: none

Projected Date of  
Completion:

11/1/18  
effective already

Sponsor Signature:



Evaluation of Results: Include measured results.

(± Metrics)

Using this New pricing matrix of 1.69% for Parts Counter Retail will increase or gross by \$15,973. By hitting our RIM program 85% will cut shipping expenses and allow us to return any RIM parts that are still instock after 12 months. Also we will increase our gross profit because we'll get a stock discount on RIM ordered parts. By tracking lost sales in our DMS and tracking it properly it will give us a more accurate stocking information and parts mix which will increase our fill rate and CSI.