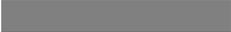


First Time Fill Rate

DEALERSHIP NAME	NADA Motors	rst time fill rate		
DATE	RO'S	1st Time	Same Day	Day
9/24/2018	3	3		
9/25/2018	8	6	1	1
9/28/2018	7	4	3	
9/29/2018	2	2		
10/1/2018	10	8	1	1
10/2/2018	8	6		2
10/3/2018	9	7	1	1
10/4/2018	5	5		
10/5/2018	12	11	1	
10/9/2018	7	7		
Totals	71	59	7	5



Rate %
100.00%
75.00%
57.14%
100.00%
80.00%
75.00%
77.78%
100.00%
91.67%
100.00%
#DIV/0!
83.10%



CDK						
Stocking Status	Inventory Value	% of Inventory	Guide			COLOR SCORING
INVESTMENT						
Normal or Active Stock	\$24,624	72.06%	over 70%			GOOD
Automatic Phase Out	\$1,812	5.30%	Less than 30%			WARNING
Dealer Phase Out	\$861	2.52%	Less than 1%			DANGER
Manual Order	\$0	0.00%	Less than 3%			GREAT
Non Stock Part \$'s	\$6,773	19.82%	Less than 5%			Seldom used
Non Stock Part #'s*	1,101		Greater than 70% of PN's			OK....BUT..
Clean Core	\$100	0.29%	# PIECES	PART #		OUCH !!!!!
Dirty Core	\$0	0.00%	1114	1950		
Total Inventory	\$34,170	100.00%				ouch!!!

Activity	Value \$	%	Notes & Guides			
0-3 Months	22,961	60%	ACTIVE INVENTORY at 75%			
4-6 Months	4,174	11%	ACTIVE INVENTORY at 23%			
7-12 Months	5,332	14%	75% will likely become Obso 2% is guide			
Over 12 Months	1,190	3%	Technical Obsolescence 2% is guide			
New parts no sales	4,565	12%	Minimal Amount			
Total Inventory	38,221	100%				

CRITICAL OBSERVATIONS:(How do you feel about these observations?) Color Coat	Pass or Fail ?
OBSO POSITION (LINES 20-22 FROM ABOVE)	Fail
NEG-ON-HAND (MINUS-ON-HAND)	Pass
CLEAN CORE	Pass
DIRTY CORE (RDCI) OR DONE MANUALLY	Pass
LOST SALES CALCULATOR VS. ACTUAL	Pass
AVERAGE STOCK ORDER (Obtain data from	Pass
MONTHS SUPPLY (This calculation from yo	Pass
GROSS (TOTAL) TURNS (from your FS Tem	Pass
TRUE (STOCK) TURNS (from your FS Temp	Pass
FTFR (FIRST TIME FILL RATE)	Pass?

OBSO POSITION			
.75 TIMES	\$		3998.828
PLUS			1,190
PLUS			4,565
EQUALS		26%	9753.758

Departmental Action Plan

Dealership **Horne Mazda**

Academy Week **Week 3 Parts**

Class &

Current Situation

Inventory of warranty requirements on warranted parts.
Mazda warranty parts at our dealership are currently out of control. I'm told by keep ALL the inventory given to us by Mazda on our weekly Warranty Scrap L the parts back at any time within the 30 day window so we have to keep the in warranty and can not be charged back for it. I went through parts myself and f Horne group purchased this store in August of 2016. So the main problem is v inventory way passed the required time.

Overall Objective:

Objective 1: Makes parts more organized and free up precious little space we
Objective 2: Educate our parts employees on the importance of maintaining e

Proposed Timeline

Step 1: Locate all warranty items. Most of them are recall airbags, head lamps foam.
Due 09/28/18
Step 2: Organized and purge ALL inventory items past the required 30 day ma
Step 3: Implement a new process that will have Parts consistently purge these
Due 10/5/18
Step 4: Report, Review, Rework results Due 10/8/18

Action Plan

Describe necessary actions to reach desired result:
Step 1: Locate all warranty items. Most of them are recall airbags, head lamps
The Warranty Inventory hasn't been kept in one place; items are scattered all
Step 2: Create a Warranty Inventory Parts only place in the Parts Department
Step 3: Organized and purge ALL inventory items past the required 30 day ma
such a backlog of inventory to go through.
Step 4: Implement a new process that will have Parts consistently purge these
space: This step will require the most cooperation
Step 5: Report, Review, Rework results": Report on finished project, review
anything if necessary.

Requirements

Meeting with Dealer:

1. **Action Proposed:** Proposed the above plan of action to GM and Parts Manager

Meeting with stakeholder(s) (dealership personnel):

Describe what is in place to support desired goal:

Training / Coaching / ±Consequences related to results / Pain & Gain

2. Their will be an adjustment period with all Parts personnel having to learn "You tomorrow by evading it today"- Abraham Lincoln. I need the Parts team to realize dishonest trait, since it is just lying to yourself. Our expectations will be laid out little need to deviate from it. The parts manager will be strictly accountable for correct area all the time.

Accountability: Monitoring progress:

Who: Parts Manager, Parts Counter, GM, Controller

What: Parts Manager: needs to maintain a clean and organized department; P and maintain that cleanliness. GM/Controller: Periodic checks in parts to make improving

3. **By When:** 10/10/18 everything needs to be returned that can and an established
How: With the help and participation of the parts department, they will take example we can properly utilize the area. It will be up to them to control the flow and time after holding it for 30 days.

Describe checkpoints that have been established to measure progress:

Daily / Weekly / Bi-weekly / Monthly /

Daily: As Warranty parts area is always fluctuating, it will take a daily effort to have organized location to hold for the required 30 days.

Weekly: They will purge the over 30 day warranty inventory properly and make placed

4. **Bi-weekly:** After receiving Mazda's Warranty Scrap List double check it against adjustments to "needs to be kept" items, fill out a return report, and place it there
Monthly: If all daily and weekly things are happening properly, monthly would Service Mazda rep about any unusual returns and/or warranty items that should

Date(s) for review: Locate all Warranty items 09/28/18

Organized and purge ALL inventory items past the required 30 day mark 10/5/18
Implement a new process that will have Parts consistently purge these old units 10/5/18

5. **Estimated cost for implementation:** Free 99, it will be a requirement of the Parts their current pay plans.

Projected Date of
Completion:

10/10/18

Sponsor Signature: _____

Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

I feel as if this action plan did not have a huge impact on the bottom line of the parts department. V their sales and gross negatively because during the transition period hours on end were spent org warranty parts in the same place. It took additional days to sort through which ones had to be kept of. Overall it was a great success. There is now a proper process in place to follow when warranty expired items, and are using the factory Warranty Scrap List religiously to make sure we are not ho selves with unecesary bulky and cumbersome warranty inventory. While it took some sacrificiing o do, and now I can safely say warranty inventory is no longer a massive problem with our store and

Student Name Michael Horne

Student Number 339B 10

/ my parts manager that we are required to
ist 30 days after it appears. Mazda can ask for
inventory so we can prove that is was under
found airbags from February of 2016. The
we are keeping way too much warranty

have
very aspect of the parts department

i, belt tensioners, water pumps, and dash

rk. Due 10/5/18
e old unusable inventory items taking up space

i, belt tensioners, water pumps, dash foam.
around parts.

rk: This will take the longest since we have
e old unusable inventory items taking up
the new processes put in place and rework

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

r

ou cannot escape the responsibility of
ize there is not value in procrastination, it's a
out in black and white and there will be very
r used warranty items being placed in the

arts Counter: needs to help control the flow
e sure progress has happened and is

ed system in place
tra time out of their normal tasks to make sure
to stay organized and properly purge warranty

log items properly and place them in an
e sure they keep control of where it is being
st current inventory and last week's list, make
ne cage to be picked up.
be a perfect time to talk with the Parts and
uld be kept longer or returned more frequently.

18
usable inventory items taking up space

rts department to complete this project under

When it was finished it may have effected a little bit of organizing the parts department, and getting all the work for the thirty day period and what was good to dispose of. Now that the work is being done, they have consistanly purged the inventory, removing unusable inventory, and fill the parts department with what is needed. In all who participated, we acheived what was set out to do. The system can be easily managed from here on out.

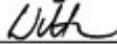
Verification Form Regarding the Departmental Action Plan

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 WITTMAN Sponsor's Signature 
Date 10/15/18

Very truly yours,

Parts Manager Questions

Have your parts manager answer the 78 questions found in this zip file. Confer and provide suggestive actions. (50 points) Provide your answers in a different color font.

1. How often is your dealership's source pricing levels reviewed for competitive maintenance and heavy repair?
Case by case
2. Compare the pricing policies in the parts department and see how competitive your Dealership is within your area.
Right in line.
3. Verify with the use of market surveys on selected parts prices in your area as to whether you are competitive with others. You don't have to be the lowest to sell more, but too little or too much profit can keep you from being competitive.
Do not have access
4. Does the computer system you have follow one or more of the pricing guides for various types of customers? Review the pricing structure with the manager and determine areas of profit potential. Policies in wholesale, retail counter, service department, employees, etc., need to be established.
Yes, manufacturer suggested retail, 20% off for wholesale (25% for our top wholesale customers), retail for service department, 10% above cost for employees.
5. Do you have in place policies and DMS controls (via Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions? What about Service Advisors?
Policy yes, DMS controls no.
6. Is there a process followed to prevent the costing of parts at other than the established factory (OE) cost within the dealership when parts are placed into the inventory? (done through the use of +/- inventory adjustment account(s))
No.
7. Regardless of parts cost (due to various sourcing opportunities (Jobber/Wholesale Distributor), are they all costed at the same factory price to maintain accurate inventory value?
Yes. We have two accounts, when parts purchased below factory price, and above factory price.
8. How are discount purchases tracked in the system to show additional profit based on the cost of the part from a particular source other than factory price?
No tracking, just put the profit into our discounts earned account.
9. Do you have an internet presence for your parts department?
Yes, for wholesale only.
10. What type of merchandising programs do you have in effect? What is the relative cost versus sales generated as a result of the programs?
No program in effect.
11. Is an outside salesperson active in your parts department? Are the sales at a level that "pays" for the employee or could the accounts be maintained on a part-time basis by the manager?
Yes, and yes.
12. Do you have factory merchandising dollars available, and if so, how much of those dollars have been spent year-to-date by the dealership? What must be done to qualify for more expense sharing in merchandising by the factory and the dealership?

I could not for the life of me get this to work properly... I can send it by an email if you would like? Thanks, Micha

el