

**Dealership - Volkswagen of Puyallup
Louangphakdy**

Student Name - Says

**Academy Week - Week 2
02**

Class & Student Number - N346 -

Current Situation:

My current situation that I want to work on is our old age parts. Currently we have \$26,524 in inventory that is over 13 months old and another \$13,450 that are 10-12 months old. Total of \$39,974 over 10 months old.

Overall Objective:

I want us to get down to \$30,000.

Proposed Timeline:

I want to achieve this by the end of April, 2019.

Action Plan:

Each week my Parts manager and I get together along with the Service manager. The Parts manager will bring a list of the oldest 10 parts in inventory. We'll then discuss what to do with them. Sales and Service will buy some at cost to use as spiffs. Some will be given away as raffle prizes at our new owner's clinic or giveaways. We are promoting our "Clearance Parts & Accessories" on Facebook. Some stuff we can send back to VW.

Requirements:

1. Meeting with Dealer:

Action Proposed: I will propose that we may take a loss and our gross profit might be low the next few months. We're going to take some losses, but we will clean up the old age Part's inventory.

**2. Meeting with Stakeholder(s) (dealership personnel):
Describe what is in place to support desired goal:**

Training - Parts Manager going to "After Sales" VW convention/training.
Weekly meetings.

Coaching - Help Parts Manager understand the importance of having a fresh, clean inventory. Encourage him to look at the big picture. I want him to think outside the box and use the resources to help move some of his inventory... Facebook, Craigslist, Ebay, etc.

+Consequences related to results - Money lost when writing them off, lose gross profit when sold at a loss.

Pain & Gain - You lose money now, but in the long run it'll help with a cleaner Part's department. Less parts to manage and store, we'll have more room. We have a 15% chance of selling the parts when they get old anyway. Giving them away as spiffs or prizes will help morale and customer's experience. That will help in the long run.

3. Accountability: Monitoring Progress

Who: Parts Manager & GM

What: Current Inventory.

By When: End of April, 2019

How: Weekly Meetings discussions

4. Describe checkpoints that have been established to measure progress:

Date(s) for review:

3/7/2019	4/4/2019
3/14/2019	4/11/2019
3/21/2019	4/18/2019
3/28/2019	4/25/2019

5. Estimated cost for implementation: \$10,000

Projected Date of Completion: 4/30/2019

Evaluation of Results: Include measured results.

Impact Areas:

Sales

Gross

Expenses

Net Profit

CSI