

Departmental Action Plan

Dealership

Student Name

Academy Week

Class & Student Number

Current Situation Counter retail sales are low at 6% of total parts department sales YTD and percentage of gross profit is low at 33.9% YTD. This is below the Bruce Auto Group objective of 38% and the NADA guide of 41%. Another issue that needs to be addressed is that the counter retail sales percentage of gross is lower than parts sold internally (36.3%) to other departments at the dealership and to paying customers at the service desk(34.4%), meaning the same customer could pay less for the same part at the parts counter then at the service desk.

Overall Objective: Increase counter retail sales to 10% of department sales, increase percentage of gross profit to 38% and maintain consistent pricing that matches retail, service and internal customer sales. Nurture a selling / problem solving attitude for employees in this department.

Proposed Timeline
 Immediately - Identify problem
 30 days - to implement/perfect action plan
 90 days - to recognize improvement
 120 days - to reach goal

Action Plan
 (1)Hold a meeting with parts manager and make sure he understands expectations/goals (2) Meet with parts department staff

Requirements
Meeting with Dealer:
 1. Meet with owner and explain shortfalls and provide a solution to the problem to make sure you have their support.

Meeting with stakeholder(s) (dealership personnel):
 2. Explain to parts manager that they will have your full support to enforce correct pricing and that you will be working with them to help identify immediate areas of improvement and enforce the expectations with staff. Explain what the benefits will be to the parts manager and staff for achieving and maintaining this pricing

Accountability: Monitoring progress:
Who:Ward Thompson (service manager), Phill Trim(Assistant service manager), Brett Curtis(parts consultant)
What: Sales/constant pricing (no discounting)
 3. **By When:** immediately
How: Make sure everybody understands what is expected of them (service manager) monitors staff performance and enforces the process be followed (only person allowed to discount). (Assistant Manager) follows process & helps parts consultant. (Parts consultant) follows process does not discount.

Describe checkpoints that have been established to measure progress:
 (Daily)GM/Service Manager inspect invoices to ensure percentage of gross is maintained in pricing - Service manager provides feedback/on the job training to assistant manager & Parts consultant (weekly) Meeting with parts staff to review success's and areas of opportunity that need attention as well as weekly phone training approx 20 mins/week. (bi-weekly) develop & distribute report to show each employees percentage of gross and average discount. (Monthly) Manager meeting with all departments in dealership to ensure everyone is working together to better each department

5. Minimal cost for implementation as everything needed is already setup. The main additional cost will be providing phone tra

Projected Date of Completion: **Sponsor Signature:** _____

Evaluation of Results: Include measured results. (± Metrics)
 The benefits of achieving this goal would be as follows: Total YTD counter retail sales would improve from \$121,241 to \$192,772 = \$71,531 increase in sales at current percentage of retail gross profit of 33.9% this would increase gross profit by \$24,249. If goal is achieved of increasing retail percentage of gross to 38% this would add \$27,181 to retail gross. By maintaining constant pricing in our counter retail sales, customer pay service sales and internal sales this would generate an additional \$9,646 gross in customer paid service sales and additional \$1,317 in internal sales. By increasing counter retail sales and maintaining a consistent percentage of gross (38%) with internal and customer paid service sales this would generate and additional \$35,212 in yearly gross profit to the department and provide customers with consistent pricing which would lead to more transparent pricing with sales and service customers. This would indirectly positively affect CSI in the sales and service department. Expenses would increase slightly with added training if an outside source is used. By making management understand that the more time they invest in their staff (at no extra cost to the dealership) the more efficient their staff will become generating more gross and net profit to the department increasing the managers commissions)

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






