





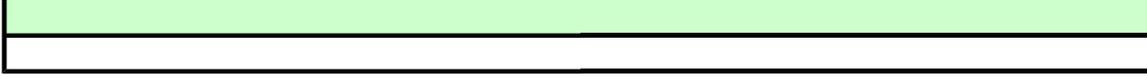
Rate %
75.00%
73.53%
#DIV/0!
74.00%



REYNOLDS 2213			
Stocking Status	Inventory Value	% of Inventory	Guide
INVESTMENT			
Normal or Active Stock	\$130,894	44.89%	over 70%
Automatic Phase Out	\$110,706	37.97%	Less than 30%
Dealer Phase Out	\$0	0%	Less than 1%
Manual Order	\$0	0%	Less than 3%
Non Stock Part \$'s	\$24,056	8%	Less than 5%
Non Stock Part #'s*	3859	42%	Greater than 70% of PN's
Core Clean	\$4,907	2%	pn pieces
Core Dirty	\$20,890	7%	pn pieces
Replace by hold RBH	\$143	0%	pn NA pieces
			NA
Total Inventory	\$291,596	100%	

REYNOLDS

Activity	Value	% of inventor	NADA Guide	Notes
Current	\$55,057	20.71%	75%	this is your current a
1-3 Months	\$61,108	22.99%	included	healthy parts inventc
4-6 Months	\$39,965	15.04%	23%	
7-9 Months	\$30,653	11.53%	2%	65% Will likely become
10-12 Months	\$19,577	7.37%	included	85% Will likely become
13-24 Months	\$35,939	13.52%	0%	Technically Obsolete
25+ months	\$23,500	8.84%	0%	
TOTAL	\$265,799	100.00%		
<b>CRITICAL OBSERVATIONS:(How do you feel about these observations?) Color Coat</b>				
OBESO POSITION (LINES 23-26 FROM ABOVE)				
NEG-ON-HAND (MINUS-ON-HAND)				
CLEAN CORE				
DIRTY CORE				
LOST SALES CALCULATOR VS. ACTUAL				
AVERAGE STOCK ORDER (NEEDED FOR FS				
MONTHS SUPPLY (FS TEMPLATE)				
GROSS (TOTAL) TURNS (from your FS Templa				
TRUE (STOCK) TURNS (from your FS Templa				
FTFR (FIRST TIME FILL RATE) (from your par				



GOOD
WARNING
DANGER
GREAT
Seldom used
OK....BUT..
OUCH !!!!!!!!!!!
YIKES

nd active			
ory			
	OBSO POSITION MATH DONE BELOW		
obso	.65 TIMES THE 7-9 MONTH VALUE	\$19,924	
obso	.85 TIMES THE 10-12 MONTH VALUE	\$16,640	
	PLUS THE 13-24 MONTH VALUE	\$35,939	
	PLUS THE 25+ VALUE EQUALS	\$23,500	
	OBSO AS A % OF TOTAL	\$ 96,003.90	36.12%
PASS/ FAIL			
fail			
fail			
pass			
fail			
fail			
fail			
pass			
pass			
fail			
pass			



## Departmental Action Plan

Dealership **Friendly Chevrolet**

Academy Week **Week 2: Fixed Operations 1 (Parts)**

Class & :

### Current Situation

The parts department has approximately \$100,000 worth of obsolete parts, and accounts for 22.5% of the inventory. Many of the parts in our inventory are over 12 months old, up to 15 months. Therefore, the amount and percentage of obsolete parts with a value of \$23,500 is 25 months or greater and these parts are not returnable. Current inventory is not being supervised and this leads to a problem with obsolescence.

### Overall Objective:

The overall objective is to reduce the number of obsolete parts. To accomplish this, we will ensure the inventory stays current. There are two main segments to achieve:

- We need a printed list of parts 12 months or greater. The list should be split into RIM and non-RIM ordered parts. The parts that are not ordered through RIM need to be located.
- Once the non-RIM parts are located, they need to be sold or donated.

~~We will also look at each part to see why we have that part in our inventory.~~

### Proposed Timeline

Step 1 - print list of the parts 12 months or more (completed March 20)  
Step 2 - separate the list into two lists. One list should have the RIM parts and the other list should have the non-RIM parts (due date May 15)  
Step 3 - check the return reserve for each month and see how many and what value they are (due date April 30)  
Step 4 - find the parts (non-rim) and list them online to sell (due date April 30)  
~~Step 5 - the parts that do not sell by June 30 will be donated.~~

### Action Plan

**Describe necessary actions to reach desired result:** There are two main questions: First, how are we going to deal with the current obsolete parts? Second, how are we going to prevent future obsolescence?  
Current Obsolete Parts:  
Print the report with the parts 12 months or more  
Separate these into two lists. One list should include all RIM parts. The other list should include all non-RIM parts. The non-RIM parts will be returned at 15 months. The other list has parts that are considered obsolete.

### Requirements

#### Meeting with Dealer:

1. **Action Proposed:** The Dealer has been involved with this action plan from the start with the parts.

**Meeting with stakeholder(s) (dealership personnel):**

- The Dealer, General Manager, Parts Manager, and myself will all work together.
2. There will be meetings held twice a week to check on the status of the obsolete parts and then we will all work together to sell or donate them. Every day is an increasingly large problem.

**Accountability: Monitoring progress:**

- Who: The Parts Manager, General Manager, and myself.  
What: The Parts Manager is accountable for finding all the obsolete parts and the General Manager, Parts Manager, and myself are in place to watch our inventory.  
By When: The obsolete parts need to be found by April 30, and the parts should be sold or donated by then.
- 3.

**Describe checkpoints that have been established to measure progress:**

4. There will be a meeting twice a week with the Parts Manager, General Manager, and myself to check on the status of the obsolete parts. Once our inventory is under control, these meetings can be held weekly.

**Date(s) for review: each week**

5. **Estimated cost for implementation:** There won't be an additional cost at this time.

**Projected Date of Completion:**

June 30

**Sponsor Signature:**

Susan Lar

**Evaluation of Results: Include measured results.**

**(± Metrics)**

**Impact Areas:**

**Sales:** Our sales should increase because the inventory will have a higher percentage of current parts, there will be a better chance of having that part in stock.

**Gross:** The gross should increase because there will be less emergency purchases made. There should have in stock.

**Expenses:** The expenses should stay the same.

**Net Profit:** The net profit should slightly increase because the gross profit will increase and the expenses will stay the same.

**CSI:** The CSI should increase because the inventory will have a larger percentage of current parts and won't have to wait as long for a part because there will be a large chance that the part they need will be in stock.

Student Name Courtney Langheim

Student Number 347

According to the DMS scorecard. This ordered through RIM, and they are returnable will be lower. However, 8.84% of our inventory currently, there isn't a process in place

show this, a new process needs to be created to meet this overall objective:  
split into two sections: RIM ordered parts and parts to be located.

~~Was it a special order part that was not~~

and the other list should have all the other parts which parts can be returned (monthly)  
)

**Directions to this action plan.** First, what are we doing to prevent obsolescence in the future?

the other list should have all the other parts. The parts ~~are~~ obsolete

t. The goal is to reduce the amount of obsolete

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

ner to reduce the amount of obsolete parts.  
ete parts. The Parts Manager will need to find  
ne involved is motivated to fix this

d selling/ donating them. I will also help the  
are accountable for putting a new process in  
ould be sold or donated by June 1.

ger, and myself to check the inventory of the  
ily.

point. We will implement a new process but ev

**ngheim**

parts. Therefore, when a customer or technician need a  
fore, we will not have to overpay for parts that we

expense will stay constant.  
is rather than obsolete parts. Therefore, the customer  
will be in stock.