



Parts Action Plan Homework

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Academy Class #:

Goal:

My goal for the action plan for the Parts Department is going to be simple yet crucial. I have noticed in our department we are pretty solid from the data in the composite compared to the class, and even benchmark. What I would like to do is implement a process in the variable side to better sell accessories and increase gross profit in the Parts Department.

From: 4/5/2019 To: 5/5/2019

How do you plan to achieve your goal:

Everyone knows the only way to incentivize a sales person is money. Money talks. How I plan on achieving this goal is to offer a \$25 spiff per additional Acura Accessory sold. We have about a 40% Gross Profit Return on our Accessories. We actually charge variable retail when it comes to accessories, so what that means is absolutely no discounting! If we can sell an additional 10,000 dollars a month in accessories that would be an additional \$4,000 in Gross Profit for the Parts Department. I believe we could actually do an average of \$500 per vehicle sold which would translate to about \$30,000 in additional Acura accessories a month. This would accumulate about \$12,000 in additional gross for the department.

How will you track your progress?

- DMS
- Accessa- Look at the increase of the Parts Departments gross month-in and month-out once the Action Plan is implemented.
- End of the month spiff sheets

The benefits of achieving this goal will be:

The benefit of achieving this goal is quite simple and that is to increase the Parts departments gross through increasing Internal accessory sales. I believe another benefit of this action plan as well is to increase sales process organization. By this I mean holding the sales guys accountable every time to present accessory sheets.

Take Action!

Potential Obstacles & Potential Solutions

- *Salesman push back* - The solution for salesman push back is providing spiffs as incentives.
- *Lack of follow through by Management*- There is a section already in place for the managers to check off that an accessory sheet is in the deal. Just like with anything else, it is the Sales Managers responsibility to ensure all necessary documents are checked off on the front of the deal jacket. We have been letting this slide for a while. However, I do believe that if we have a meeting and make this of importance again it can be very simple to ensure its done every time. Another possible solution is to do an internal audit at the end of every month to ensure it is being done. The office scans a picture of the deal checklist for internal records, and the deal is also scanned into the DMS.
- *Service department*- A potential obstacle would be getting accessories put on to all the showroom cars in a timely fashion. The solution to this would be getting the Service Manager on board with the importance of getting accessories put on to showroom cars and on to the showroom.

Who on you staff will need to be involved to accomplish this goal:

Myself, GM, Parts Manager, Service, New Car Sales Manager.

Specific Action Steps: *What steps need to be taken to get you to your goal?*

- 1.** The first step in the process would be to hold a morning meeting with all involved staff to layout the game plan and go over the importance of getting each step in the process done in a timely manner.
- 2.** After all parties are brought up to speed the current cars on the showroom need at least Three additional accessories added to them for display. Having accessories on the showroom cars is crucial to increasing accessory sales. Once a showroom car is sold another one needs to take its place ASAP.
- 3.** Next we will hold a meeting with the sales staff to go over once again presenting an accessory sheet on all New car deals. We will present the \$25 per accessory sold spiff.

- 4.** Accessory sheets are already printed out for all the different models, so all we would have to do is check them every Monday to make sure they are in good supply.
- 5.** Like stated above, doing an internal audit at the end of month is a fantastic idea to ensure the action plan is being completed. This can be done by checking 10 random New car deals each month from the DMS.