

**Departmental Action Plan**

Dealership

Student Name

Academy Week

Class & Student Number

**Current Situation**

**Lost Sales Tracking and Reporting:** Our parts department is struggling tracking lost sales accurately. When we presented the "Lost Sales Quiz" to the parts personnel, all of them answered the questions differently and incorrectly for the most part, including the parts manager. Our inventory level is far below NADA guide at a 27 days supply, and 22% of our stock is being manually ordered. If we tracked our lost sales more closely, we would be able to phase in more stock inventory and our First Time Fill Rate would improve. There would be less need for manual orders and the manager would have more time to handle other departmental needs.

**Overall Objective:**

**Objective 1:** Determine what we want to count as "lost sales" and educate the entire parts staff of the policy.  
**Objective 2:** Train countermen to input the lost sales into the system for accurate tracking and inform them of the importance of lost sale tracking.  
**Objective 3:** Phase in any parts that meet our requirements based on our new lost sales process. Increase inventory stock level.  
**Objective 4:** Manage new "Lost Sales" process and staff

**Proposed Timeline**

**Step 1:** Review current lost sales process and write new guidelines. Due: June 28, 2019  
**Step 2:** Instruct parts personnel on changes and the importance of the new policy. Due: June 28, 2019  
**Step 3:** Begin tracking lost sales and determining what parts need to be phased in. Due: August 30, 2019 and ongoing  
**Step 4:** Implement new system requirements for stock order to reduce manual order input. Due: August 30, 2019 and ongoing  
**Step 5:** Phase in new parts based on tracking, increase breadth of inventory and days supply. Due: August 30, 2019 and ongoing  
**Step 6:** Manage results. Due: Ongoing

**Action Plan**

**Step 1:** Amend current lost sales process to be more effective and efficient.  
**Step 2:** Create awareness of new guidelines.  
 Educate the team on the importance of the new lost sales tracking process. Launch amended program and implement checkpoints for accountability. Training and clear expectations laid out for lost sales. Explain how and why it will be beneficial for everyone in parts and the service department.  
**Step 3:** Have parts manager inspect reports daily for lost sales. Have end of day meetings with all sales employees to discuss findings.  
**Step 4:** Utilize reports from the DMS. Weekly meetings with staff to enforce policy changes and discuss individual troubles or any.

**Requirements**

**Meeting with Dealer:**  
 1. **Action Proposed:** Present action plan to General Manager for review and approval.

**Meeting with stakeholder(s) (dealership personnel):**  
 2. **Describe what is in place to support desired goal:** **Training / Coaching / Accountability / Commitment** Training parts personnel for accurate tracking information. Coaching for clear communication and expectations. Accountability from DMS reports and inventory levels. Commitment for continued support and results.

**Accountability: Monitoring progress:**  
**Who:** Parts countermen, parts manager and general manager  
**What:** Accurately tracking lost sales and phasing in new parts for inventory breadth  
**By When:** August 30, 2019 we should be fully launched and able to track results  
**How:** Parts manager will print and review lost sales reporting daily. Individual meetings to review daily activities. Weekly department meeting with DMS reports. GM meeting monthly for accountability.

**Describe checkpoints that have been established to measure progress:**  
**Daily** Lost sales reports managed and reviewed by parts manager with individual countermen.  
**Weekly** Department meetings to share successes and best practices.  
**Bi-weekly** Department meeting with bi-weekly results.  
**Monthly** Final meeting with department and monthly overview with General Manager /  
**Date(s) for review:** Review of new process and training by June 28, 2019. Weekly meetings beginning July 1, 2019. Full review August 30, 2019 and ongoing.

5. **Estimated cost for implementation:** No cost should be incurred for the implementation of new policy. Only associated cost will be inventory stock levels.

Projected Date of Completion:

Sponsor Signature:

Evaluation of Results: Include measured results. (± Metrics)

**Impact Areas:**  
**Sales** Based on current stock levels and day supply, sales should see a marginal increase. With a greater day supply and larger breadth of inventory, lost sales will decrease. / **Gross** Expect to see more gross profit from increase in sales. Because we won't be losing sales regularly, we should see a decrease in emergency purchases which will raise margins. **Expenses** Possible increase in expenses from carrying a higher level of inventory. The investment will be greater due to the larger inventory. / **Net Profit** Forecasting a slight increase in Net Profit with the increased sales and declining emergency purchases and shipping charges, but carrying costs and investment increasing. **CSI** Should expect a higher CSI from the availability of more parts. Less loaner car expense for service and higher First Time Fill Rate.

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