

## **Management Action Plan - FO1 PARTS**

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Dealership: Shaver Automotive Group

Class & Student Number: NADA 349 #08

### **Current situation or challenge you want to address (narrow your focus):**

Currently, we are not using the Service Price Guide (SPG) tool from our DMS, R&R, to its full potential. We only are using this tool on 53% of our repair orders and parts requisitions. Our service manager and parts manager have invested a significant amount of time (including one full week in Florida with R&R SPG set up team) setting up all the labor operations and parts pricing needed to use SPG effectively, but there is resistance from service writers, technicians, and parts advisors to use the tool 100% of the time. By not using this tool effectively, service advisors are quoting job prices inconsistently, technicians are wasting time by filling out manual parts requisition forms on half of their jobs, and the parts advisors are not best utilizing their time when fulfilling the technician's parts needs.

### **Overall objective (goal) and specific desired results:**

The objective is to increase SPG usage to 100% by the service advisors, technicians and parts advisors, measured by the Reynolds and Reynolds SPG Utilization Report. By hitting this objective, we will accomplish: 1. service advisors will provide consistent price quotes to customers, regardless of which service advisor a customer speaks with. 2. The technician will have the list of parts needed for each specific job at his/her fingertips, as well as knowing whether the parts they need are in stock. 3. The parts order form is automatically sent to the parts department so the parts department can begin the process of getting the parts needed by the technician without the technician having to go to the parts department. 4. The parts advisor will compile the parts necessary for the technician and have them waiting for the tech in the parts department. Once we accomplish this initial objective, we will transition to the parts being delivered to the tech in his/her bay, eliminating the need for the tech to go to the parts department for most of their jobs. These results will lead to higher technician proficiency, which will yield more labor hours produced, more labor and parts sales, more mechanical and parts gross profit, more gross wages for both service and parts employees (techs, service writers, parts advisors, service manager, and parts manager) and most importantly, more net profit for the dealership.

### **Timeline**

I believe that this objective can be accomplished in 90 days and be fully implemented by August 1, 2019.

### **Action Plan**

The service manager, parts manager, and dealer will meet with the service writers, techs and the parts advisors to explain our objective, our current level of usage (53%) and what is in it for them (higher paychecks and a more efficient parts delivery process) to hit this objective. Any existing issues/objections with SPG will be discussed and overcome. We will have our R&R representative present at the meeting to deal with any technical issues as well. Our expectation of 100% usage will be communicated and we will have them all sign a SPG Commitment Pledge. We will explain that we will be monitoring our SPG usage daily and having conversations with those that are not utilizing the SPG tool as directed. We will tell the group that the first month we hit our goal of 90% SPG usage, we will have a service and parts BBQ at the store and all team members will receive a \$50 bill. Once we hit 100%, the dealership will hire a parts delivery person to deliver parts ordered thru SPG to the techs in their stalls.

The service manager must be diligent with the writers and techs on 100% SPG usage on all repair orders while the parts manager must make sure the parts advisors are receiving the parts requisitions off the printer, pulling the parts from the bins, and making sure they are organized when the tech comes to pick up the parts.

### **Accountability: Monitoring progress:**

Who: Mike (service manager), Jim (parts manager), and Andy Shaver (dealer)

What: Have the meeting to implement the action plan.

By When: July 1 ,2019

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

Mike and Jim to monitor SPG usage report daily and take any corrective action necessary daily. A copy of the daily SPG usage report will be posted in both the parts department and the service manager's office. Mike and Jim to review usage MTD usage report with Andy every Friday at 2 pm. On the 1<sup>st</sup> of each following month, Mike, Jim, and Andy to review final SPG usage report from the preceding month, and share results with the team.

### **Estimated cost for implementation:**



# First Time Fill Rate

DEALERSHIP NAME		First time fill rate			
DATE	#OF RO'S	RO's Filled 1st Time (Right Away)	RO's Filled the same day Same Day	RO's Not Filled Same Day	Actual 1st Time Fill Rate %
5/1/2019	8	6	1	1	75.00%
5/2/2019	14	7	3	4	50.00%
5/3/2019	12	9	2	1	75.00%
5/4/2019	3	1	1	1	33.33%
5/7/2019	7	4	2	1	57.14%
5/8/2019	10	7	1	2	70.00%
					#DIV/0!
<b>Totals</b>	<b>54</b>	<b>34</b>	<b>10</b>	<b>10</b>	<b>62.96%</b>