

Departmental Action Plan

Dealership Winner Subaru

Student Name Louis Hitchens

Academy Week Week 2 - Fixed Operation - Parts

Class & Student Number NADA351

Current Situation

I just recently, June, took over the store from it's previous General Manager. There are many holes in our reporting process of lost sales, fill rates, special orders, etc. From the last assignment for the fill rate, I could see that we have a problem with stocking the necessary items to keep the flow through the shop and keeping the techs busy & happy. It appears to me that the previous regime "solved" this problem by adding a fleet of loaner vehicles. It was masked as customer service, but, it appears to be a cover for so many other areas in our dysfunctional process. Being new, I must approach any changes slowly.

Overall Objective:

Objective 1: Gradually decrease of massive loaner car fleet to force corrections in other areas
Objective 2: Increase out daily fill rate and actually make it daily

Proposed Timeline

Proposed timeline:
Step 1: Have loaner fleet reduced by 8 vehicles by 9/30/19
Step 2: Have first time fill rate improved to 80% by 10/15/19
Step 3: Hire 2 more technicians by 9/15/19
Step 4: Ongoing managing of results and prospecting

Action Plan

Describe necessary actions to reach desired result:
Step 1: Meet with Service Director and Parts Manager to identify the reasons for not having so many parts on same day
Step 2: Have all loaners to be approved by me for the next 30 days
Step 3: Begin to eliminate loaners cars 1-2 per week until objective is meant
Step 4: Receive daily Fill rates on a shared document with Service Director and Parts Manager
Step 5: Meet weekly with Managers to track our progress and roadblocks
Step 6: Physically stand at the parts counter various times during the day, 2-3 days per week, to view the counter RO flow and the parts availability.
Step 7: Recruit and constantly be on the lookout for talented individuals to join our team

Requirements

Meeting with Dealer, Service Director, Parts Manager
1. Action Proposed: Proposed the above action plan to the dealer.

Meeting with (dealership personnel):
Describe what is in place to support desired goal:
1. Meet with the technicians and service writers to inform them of the changes and the why.
2. Review the Subaru loaners status every Monday to target the cars that will be removed and not replaced in the coming weeks.
3. Meet every Monday with Service Manager to go over ROs, fill rate for prior week, and review open ROs.
4. Continue to observe parts counter and fill rate first hand.
5. Once fleet is reduced, Parts and Service will share in rental car cost as necessary so that CSI will not be negatively affected.

**Accountability: Monitoring progress:**  
**Who:**  
 General Manager, Parts Manager, Service Director  
**What:**  
 Parts Manager: Accountable for making sure we stock parts necessary for daily fill rate of 80%  
 Service Director: **Monitoring the daily usage of loaner vehicles and tracking daily fill rate on ROs**  
 General Manager: **Observe parts counter flow, monitor rentals, and remove rentals until goal of 8 has been reached**  
**By When:**  
 3. We should be able to start this process by 9/30/19  
**How:**  
 Review the loaner log daily Review Fill rate  
 log daily Observe the back parts counter  
 2-3 days per week Meet every Monday to track progress and  
 address roadblocks Meet with Service writers and Technicians once a week  
 for progress update from their perspective  
 GM to get a weekly parts list if recommend by parts manager to be moved out of SOP and into inventory.

**Describe checkpoints that have been established to measure progress:**  
**Daily / Weekly / Bi-weekly / Monthly /**  
 Daily – Parts manager to review SOP parts list daily  
 Weekly – A weekly meeting will be held by the parts and service manager with all parts counter person & service advisors  
Weekly – Review follow up and objection documentation  
 on SOP orders Weekly- Parts counter person will  
 allocate outstanding SOP to the correct bin along with the supervision of our parts manager.  
 Monthly – Meeting with parts manager & GM to identify trends to determine if further action is required.

**Date(s) for review:** Daily – Parts manager to review SOP parts list  
 Weekly - A weekly meeting will be held with parts counter person & service advisors, update SOP shelf (to correct color section)  
 Weekly – Review follow up and objection documentation on SOP orders  
 Monthly – Meeting with parts manager & GM to identify trends to determine action is needed

4. Weekly:  
 Person involved: Parts counter person, Service advisors, Parts & Service manager  
 Exercise: Weekly review meeting  
 Starting: July 7, 2015, re-occurs every Tuesday at 6pm

Weekly:  
 Person involved: Parts counter person & Parts manager  
 Exercise: Allocate all outstanding parts to the correct SOP bin  
 Starting: July 8, 2015, re-occurs every Wednesday at 11am

Monthly:  
 Person involved: Parts counter person & General manager  
 Exercise: Identify trends to determine if any further action is required  
 Starting: August 7, 2015, re-occurs every Friday at 10am

5. **Estimated cost for implementation: Possible rental cars during the withdrawal process \$1000.**

Projected Date of Completion: **November 30, 2019**

Sponsor Signature: 

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

**Impact Areas:**

**Sales / Gross / Expenses / Net Profit / CSI /**

**Sales:** Parts sales are only calculated based after invoicing. Increasing the effectiveness of SOP's will increase parts sales. A positive variance will be seen especially in warranty repair invoices. Most SOP's are based on warranty orders. The main cause of aged SOP's is not because the part took too long to arrive, but the time it took for our service advisors to get the vehicle back into our shop. With more accountability measures, organization, and visual aids in place, the waiting time from parts arrival to completion of repair will be reduced. By improving this SOP process this will also increase our overall service labour sales.

**Gross:** We shall not see a major increase/decrease in gross. Most SOP's are warranty based, and the markup is pre-determined by the manufacturer. But with tightening our SOP process, this will help generate more service labor sales as mentioned above. The overcounter and wholesale SOP's will gain some traction but with our current sales volume in both it will not be significant.

**Expenses:** Don't forecast a variance in expense expect the cost of the consolation fee

**Net Profit:** Net Profit shall experience a slight increase. The more labour and parts sales per associate the higher the profitability. This also helps reduce any potential loss due to obsolescence parts in the future.

**CSI:** We forecast a moderate increase in our CSI. Our OEM brand sends out CSI surveys to "warranty;" only repairs (this does not include recalls and campaigns). Since majority of SOP's are warranty based, the SOP's process for our brand is particularly one of the most deciding factors of a high organic score. With the new process in place, the customer will be contacted once the parts arrive, this will ensure a speedy resolution to the guest concern and the "Fix-right the first-time" mentality. The expedited return of the guest will also ensure the Technician stays focused on the guest concern instead of forgetting about it a few weeks later. This will also lead to a healthier atmosphere in the shop that will lead to a higher Employee Satisfaction. It shows that we are in control and we value the technicians diagnostic time and customer's time.

**I am enclosing a copy of our current SOP process for your reference, please feel free to comment and make recommendations.**

**INT-(740-04) Special Parts Order Processing**

**SCOPE**

This section of the Quality manual complies with the requirements of the ISO 9001:2008 standard: Paragraph, 7.0 Product and or Service realization. This procedure starts with the customer (internal or external) calling or coming to the parts counter and ends with the part(s) ready to be shipped or picked up.

**PURPOSE**

This procedure describes the order taking, picking & invoicing of special part(s).

**RESPONSIBILITY AND AUTHORITY**

It is the responsibility of the parts counter staff to perform this process. It is the responsibility of the Parts Manager to ensure that this process is maintained at all times.

**PROCESS STEPS**

- 4.1 Greet customer in a timely professional manner.
- 4.2 Verify customers' part(s) request, year, make, model, production date & colour codes, and VIN# if required.
- 4.4 Enter request into computer and check stock.
- 4.5 Manually pick part(s) order from parts shelves and package appropriately to protect the integrity of the product
- 4.6 Bill out part(s) on invoice (for customer orders) or work order (for technicians)
  - 4.7 If customer is ordering special part(s), pre-pay policy is in effect.
  - 4.8 Order the required part(s).
- 4.9. Customers are notified by their ASM at DVNH and via Dealer Voice (MVT) or CDC (DVNL/DVNT) when part(s) arrive at the dealership for pick up (refer to SOP # 750-06).

**RELATED DOCUMENTATION**

- 5.1 Invoice Form ELC-S11 (9-99)
- 5.2 Work order Form ELC-WO1 (9-99)
- 5.3 Quick Moving Parts Reference Sheet F740-01-10/99
  - 5.4 CDC Process SOP 840-04
  - 5.5 Shipping of Parts SOP 750-06

**INT-(720-19) Service Follow Up on Special Order Back Order Parts**

**1.0 SCOPE**

This section of the Quality Manual complies with the requirements of the ISO 9001. This procedure begins with an appointment being set up by ASM to install a special ordered/back order part and ends with confirmation of part in stock with customer and appointment reconfirmed.

**2.0 PURPOSE**

This procedure describes the service follow-up to customers on special order/back order parts process.

**3.0 RESPONSIBILITY AND AUTHORITY**

It is the responsibility of the ASM and the Parts Counter Personnel to ensure this process is executed. It is the responsibility of the Service Manager and Parts Manager to ensure this process is maintained.

**4.0 QUALITY ACTIVITY**

- 4.1 Proper information is required in order for the correct part to be ordered and for follow up with the customer.
- 4.2 Parts Personnel order the part as per ASM request with information from existing Repair Order or appointment (refer to SOP# 740-04).
- 4.3 The ASM may leave a copy of the Repair Order with the Parts Department. The Parts Department receiving clerk(s), upon receipt of part, will use this document as their acknowledgement back to the ASM.
- 4.4 Upon part being received (SOP#750-02), Parts Department shipping/receiving clerk(s) will flag that part as being in stock in R&R Computer system and will tag the part with customer vehicle information and place the part in the special order bin.
- 4.5 The Parts Manager(s) will print a Special Order Parts List daily, (if new parts have arrived). This updated list is given to the CDC Administrator (refer to SOP #840-04)
- 4.6 The Special Order Part is held for the customer for a minimum of 45 days, before it is sent back to Toyota Canada. DVNH must first receive authorization from District Parts & Service Manager before sending parts back to Hyundai Canada

**5.0 RELATED DOCUMENTATION**

- 5.1 Special Parts Order Process #P740-04
- 5.2 Receiving Parts #P750-02
  - 5.3 CDC Process #SR 840-04
  - 5.5 Special Order & B/O Parts Customer Call Log F720-62