

Departmental Action Plan

Dealership

Student Name

Academy Week

Class & Student Number

Current Situation

**Warranty and Dirty Core Returns**  
Our parts department is having a difficult time returning our cores on a timely manner. Our warranty returns are being returned on time, but there are many parts that are showing up in the warranty return bin that should not be there. The warranty and dirty core bin are extremely unorganized and believe its just a matter of time before something isn't returned or returned to the wrong location.

Overall Objective:

**Objective 1:** Show the manager and advisors the importance and value of the warranty and dirty core returns. (The \$\$\$)  
**Objective 2:** Clean and organize the two bin locations and clean up the warehouse.  
**Objective 3:** Overall, eliminate the pototential warranty chargebacks and reduce the time to get our dirty core money in house.

Proposed Timeline

**Proposed timeline:**  
**Step 1:** Evaluate current process and address what is working and what is not.  
August 23, 2019  
affected by the change. **Step 2:** Create a new process and train all employees  
August 30, 2019 **Step 3:** Evaluate new process and address any concerns and make corrections if need be. **Step 4:** September 6, 2019

Action Plan

**Describe necessary actions to reach desired result:**  
correct and what is not. **Step 1:** Take a look at the current process and address what is correct and what is not.  
**Step 2:** Together with the Parts Manager and S/P Director, create a new process that will include precise direction, accountability, promote efficiency, value and organization.  
**Step 3:** Implement new process with parts employees and educate why we are changing the process and show the value to them and for the company.  
**Step 4:** Have the Parts Manager on a daily basis verify that the process is being followed by the parts personnel.  
**Step 5:** S/P Director monitors and verifies at month end that the process is being followed by the department.

Requirements

**Meeting with Dealer:**  
1. **Action Proposed: Visit with the Dealer and propose the above action plan.**

**Meeting with stakeholder(s) (dealership personnel):**  
**Describe what is in place to support desired goal:**  
**Training / Coaching / ±Consequences related to results / Pain & Gain**  
**Commitment** to continue to train and evaluate our employees to maximize their value to the company as well increase the bottom line.  
2. **Accountability:** Hold the managers that are in a position to perform the processes that have been put in place. Make sure they are doing their job to ensure that the health of the company is stable and always growing. If they take care of the company the company will take care of them.

**Accountability: Monitoring progress:**

**Who:**

Parts Manager, Parts Advisor, S/P Director

**What:**

Parts Manager: responsible for checking factory warranty return list daily. Also responsible for ensuring both warranty and core bins are accurate and organized.

Parts Advisor: Responsible for all warranty parts and dirty cores are returned from technician once the repair order is completed. Do not remove the core charge from the repair order until receipted and initialed by parts advisor.

**By When:**

The current plan is underway. Goal is to have action plan in place by September 1.

**How:**

- Visual Aid: Have weekly spot checks of warranty bins. Check dates of repair orders on the parts to make sure nothing has aged. (14-21 days) Make sure they are properly located in the bins. Parts Manager will check daily with DealerConnect Return Material Utility tab. This will notify the manager if was part is being requested for return or to scrap. Parts Manager is to walk the shop weekly to ensure no parts have been left behind after completion of repair order. This is to hold the parts advisor accountable for collecting all parts from the technician. S/P Director will check warranty bins on a monthly basis for any aged parts in the bin. The director will also check the dirty core balance on a monthly basis. A month end meeting will be held to review warranty schedule and any possible chargebacks. All exceptions will be documented and presented to dealer for review.

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

**Daily / Weekly / Bi-weekly / Monthly /**

Daily – Parts manager to the Return Material Utility Tab in Dealerconnect

Daily – Parts Advisor to collect all warranty parts and dirty cores from technician once repair order is complete.

cores or warranty parts were left behind.

Weekly – Parts Manager walk through shop to make sure no dirty

Parts Manager to return all dirty cores to return center for credit. (Every Tuesday) Return all warranty parts requested from factory during this period. (Every Wednesday)

- Monthly – Meeting with parts manager & S/P Director to address any concerns or exceptions. Month End.

**Date(s) for review:** Daily – Parts manager to review Return Material Utility tab in DealerConnect

Weekly - Every Tuesday Dirty Cores will be processed and returned if necessary.

Weekly – Every Wednesday warranty returns will be processed and return if necessary.

Monthly – Meeting with parts manager & S/P Director to address any concerns or exceptions. Month End.

- Estimated cost for implementation:** No extra expense will be incurred to the department for this action plan.

Projected Date of Completion:

10/1/2019

Sponsor Signature:



Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

**Sales:** This action plan will not increase any sales in for the dealership.

**Gross:** The goal of this action plan is to ensure that any gross that was made on warranty repair orders are not to be charged back to the service and parts department for failure to comply with the factory's request of a part to be returned.

**Expenses:** This action plan is a safeguard to ensure the dealership is not suddenly charged back entire warranty claims. If failure to do so, the dealership could possibly incur the expense of the entire job. (Labor and Parts)

**Net Profit:** Like stated above, this action plan is a safeguard to protect any gross and net profit the service and parts department has made on warranty repair orders.

Properly storing and returning dirty cores in a timely manner doesn't effect the net profit, but it increases the overall cash flow of the dealership. As we all know, it takes tremendous amounts of cash to operate daily.

**CSI:** We don't foresee a spike in CSI from the traditional customer. But we do anticipate an excited dealer with the peace of mind knowing his concerns of warranty chargebacks will decrease and the increase in cash flow will contribute to the overall daily operations of the dealership.