



Fixed Operations - Parts Action Plan Homework

Homework is due the Monday of the week before you return for Parts Class

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26

Academy Class #: 361-

Composite Data Reference: Depart: Fixed Ops/Parts

GOAL WRITING

What is your Goal? Increase gross profit in parts to 28.5%. Decrease parts inventory by 20%. This will increase revenue/profitability ratios and get closer to industry averages and raising the floor of performance.

from? 28% to? 30% GP and from? 200K parts inventory to? 160K by? Dec. 31, 2020

How do you plan to achieve your goal:

Reduce parts inventory of obsolete and slower moving parts by finding outlets for sales, Ford buy back (connected to recommended parts at time of dealership opening), online outlet source and reducing parts \$3,330 per month. Increase Gross Profit established a rigorous marketing campaign for 2020, highlighting our offering. Go after larger contracts such as our mines and contractor community we have a huge opportunity and have been reluctant to engage with the newness of store. Stabilize staff and accordance of policies being followed, establishing the proper training in areas of turn over and weakness we have had from previous management. Policy examples, Pre-paid, SOP, ordering accuracy.

How will you track your progress? What measurements, KPI's? (think about current vs past measures)

Reduction of inventory is hard number will be watched and discussed as a management team, off our inventory report along with aging of our inventory. For our increase in sales we are looking to keep expenses stable and increase our sales. We have had opportunity in this area we have been reluctant to grow into and accept until we were properly staffed to do our service levels for external partners. Also, marketing footprint for parts has been increased and focused for the 2020 calendar year along with an increase in new vehicles displayed with accessories installed highlighting many of our accessories and services that we do

The benefits of achieving this goal will be: We anticipate 1,860,000 sales, grossing 560,000 avg. 155,000 per month increasing 5,000 for a gross profit target of 28.5%. If we can get this OBSO inventory addressed we can start chomping on FFR.

Potential Obstacles

Potential Solutions

Finding outlets for excessive part inventory
our dealer group if needed.

Expound all resources & outlets of

Expense Creep
Team

Monthly review w/ Mngmnt

Need to lower expectations from .70 to .50 on \$
location, Share list

Top of mind plan: Chng

service

Spiff Campaign

Run RO dec. list for OBSO parts/push

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

General Manager has bought off, Parts Manager has these goals, our parts staff are on board.

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

What?

Expected Completion

Completed

Ford buy back of 88 parts, \$3,525. (Approved 12/19)

1/2020

Done

Online retail & other outlets of sale on overstock/obsolete

3/2020

Mnthly review of numbers, quarterly strategy w/ Mngmnt

3/20, 6/20, 9/20

Review of SOP and prepaid, Cust CB policy Mngmnt

Monthly

