

KPI Action Plan

Obsolescence Control-Prevention and Reduction

RETURN POLICY

- We have recently re-evaluated our return policy and formulated some definite criteria to help fight a previously liberal return policy.
- We have included a no return on electrical parts and special orders. (Manager's discretion may apply for special considerations)
- Our policy states no refunds or exchanges without original invoice.
- Returned parts MUST be in re saleable condition.
- Any return accepted may be subject to a 20% restocking charge.

These policies need to be rigorously enforced. Strict adherence to these regulations will help to alleviate returns that frequently turn into excess stock; parts that often are unable to be returned to the manufacturer.

SPECIAL ORDER PART PROCESS

- This process must be seamless in practice, from ordering; receiving; notification and installation. When one of these processes is overlooked, it can result in an SOP not being installed and remaining on our shelves well past the allowable return time to the manufacturer.
- How we order SOP's can also determine their return-ability, so we must remain vigilant, with a sense of urgency regarding ordering criteria.
- There must also be a timely review of all returned and uninstalled SOP's, in order to avail of the return process.

My goal will be to ensure this process is strictly adhered and constantly reviewed in case adjustment or modification is necessary.

TRAINING FOR PARTS AND SERVICE STAFF

- Our GM and DMS in-house training must be fully utilized. Supplementary education will enable our Parts Consultants and Service Technicians to become more adept at diagnosis/analysis; part identification and help to prevent incorrect ordering of parts.
- This is an ongoing education process with new technology and frequent technological updates occurring, therefore, it is crucial we avail of this added education and training, as offered.

FACTORY RETURN PROCESS

- Factory returns must be utilized to the maximum which enables us to remove unnecessary parts from our inventory.
- Some returns such as SOPs are time sensitive so vigilance is the key with returns of this sort.

In summary, I feel confident that with increased attention to each of these essential practices, we will address obsolescence and inhibit it from becoming a revolving occurrence.