

CDK Stocking Status		Inventory	% of Inventory	Guide
INVESTMENT		Value		
Normal or Active Stock			#DIV/0!	over 70%
Automatic Phase Out			#DIV/0!	Less than 35%
Dealer Phase Out			#DIV/0!	Less than 1%
Manual Order			#DIV/0!	Less than 3%
Non Stock Part \$'s			#DIV/0!	Less than 5%
Non Stock Part #'s*			MEMO	Greater than 70% of PN's
No Phase Out Not on ADP				NA
Repape by Hold Not on ADP				NA
Clean Core			#DIV/0!	p/n pieces
Dirty Core			#DIV/0!	
Total Inventory		\$0	#DIV/0!	

ADP				
Activity	Value \$	% of Invent	%	Notes & Guides
0-3 Months			#DIV/0!	ACTIVE INVENTORY at 75%
4-6 Months			#DIV/0!	ACTIVE INVENTORY at 23%
7-12 Months			#DIV/0!	75% will likely become Obso 2%
Over 12 Months			#DIV/0!	Technical Obsolescence 2% is g
New parts no sales			#DIV/0!	Minimal Amount
Total Inventory		\$0	#DIV/0!	

COLOR SCORING				
GOOD				
WARNING				
DANGER				
GREAT				
Seldom used				
OK...BUT..				
OUCH !!!				
OUCH !!!!!				
ouch!!!				
OBSO POSITION				
is guide	.75 TIMES	\$		0
uide	PLUS			0
	PLUS			0
	EQUALS		#DIV/0!	0

## Departmental Action Plan

Dealership #1 Cochran Infiniti

Academy Week Week 2 September 11th-15th

Class & I

### Current Situation

The challenge we face, much like many dealers do, is bridging the gap between the Financial and Accounting. Most of the variance is due to timing and lack of communication with Accounting - when we rely on Accounting. Another contributing factor is our strong dependency on the manufacturer's in-house process. The primary goal is to minimize the discrepancy between the two reports by implementing an Inventory Adjustment Process independent on manufacturer recommendations.

### Overall Objective:

The objective is to have a better understanding of what our Parts department financial reports rely too much on the manufacturer's portal, and at times dismiss the DMS and accounting reports by addressing this issue. The manufacturer's reports and recommendations should be considered in their favor. The DMS and Accounting reports need to be our gauge for rating our own

### Proposed Timeline

This is a 2 Phased 60 day process. First Phase (30 days): Begin to use the DMS scorecard to track the performance of the DMS vs the accounting reports. As we continue to do this, it will help us move from technical obsolescence vs. potential obsolescence, first time fill rate, stock order up and off of the manufacturer's recommendations solely and utilize the aforementioned reports in our ordering process, and eliminate unnecessary parts orders.

### Action Plan

Parts Manager to complete the DMS scorecard at month end and compare it to accounting reports. We will then review this with the ROD. Together they will determine areas of concern or opportunity on the manufacturer's portal and determine if the factory program (ASR/RIM/I) is optimized to our benefit, vs the current program if possible (phase in/phase out). We would also then modify our Phase In and

### Requirements

Meeting with Dealer: ROD to receive approval from COO and Dealer

1. Action Proposed: Utilize DMS Scorecard to determine health of the Parts department

2. Meeting with dealership personnel: ROD and Parts Manager  
Action Proposed: Review Action Plan in detail. Educate on the scorecard and where to the Manufacturer's programs to understand pros/cons for our Parts department. Explain adjustments to communication with Accounting. Start to use scorecard at month end to recommended stocking guidelines.

3. Accountability: Monitoring progress:  
Who: Parts Manager, Office Manager and ROD  
What: DMS Scorecard, Accounting report, Factory program  
By When: Month-end  
How: Parts manager fills out DMS scorecard, receives accounting reports from Office Manager. Parts Manager meets with Office Manager and ROD. We determine next steps, and any

4. Describe checkpoints that have been established to measure progress:  
Weekly tracking of the DMS reports. Monthly scorecard review, together with accounting scorecard with DMS and accounting reports. 11/3/17- ROD, Parts Manager, Office Manager plans for the month. 11/15/17- Mid month review. 12/1/17- Determine if our action plans taking place. 12-4-17- Begin to utilize the scorecard, together with the aforementioned our best interest. (We will always take into consideration what the factory requires vs our any changes, and roll this out to the other North Hills stores.

5. Estimated cost for implementation: \$0

Projected Date of Completion:

01/1/2018

Sponsor Signature: \_\_\_\_\_

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

Impact Areas:

Parts Obso. First time fill rate. Decrease in parts inventory value. Better utilization of stock orders.

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Student Number 328-15

Financial Statement and the DMS inventory values. When parts are received versus when they are receipted. Supplier recommendations versus adhering to an inventory policy (DMS and Financial Statement) and establish

Inventory health truly looks like. Parts Managers are providing information. We must corporately focus on inventory management, but we must understand these are skewed overall performance and health.

Scorecard at month end. The scorecard helps compare and will help identify areas of opportunity (e.g. items such as utilization). Second Phase (30 days): We will wear our hats, together with manufacturer's reports, to improve

Inventory report of parts inventory. The Parts Manager will identify opportunity. They will then review the manufacturer's report. Tweaks will be made to the Phase Out Set-ups as well.

**PLEASE BE ADVISED  
THIS ASSIGNMENT BY  
ITSELF IS WORTH 100  
POINTS.TAKE YOUR  
TIME AND GET IT  
CORRECT**

pull information. Review the DMS reports. Review  
in what is required regarding scorecard and  
together with DMS report to validate manufacturer's

Manager. Parts Manager prints factory report. The  
adjustments needed.

ing totals. Date(s) for review: 11/2/17- Complete parts  
manager to meet, review results and detail the action  
were implemented and if the desired results are  
reports to verify if the factory stock orders are in  
recommendations) 1/2/18- Finalize action plan, determine