Departmental Action Plan

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Class & Student Number: **ATD036-17**

Academy Week: **Variable Operations Wk#1 / Pre-Owned**

Current situation or challenge you want to address:

The challenge I would like to address is our used truck inspection process. While we do manage to move used trucks through the service department, there is a lot of room for improvement, allowing the process to be completed more effective and consistent. With the lack of a formal policy, we tend to rely on “village knowledge” and it has a tendency to slow the entire process.

Overall Objective and Specific Desired Results:

Developing a policy to consistently process used truck inspections will improve the following:

- Service department efficiencies by standardizing inspections.
- Create a sense of urgency by adjusting internal rates to equal that of warranty.
- Inter-department communication, each member of the team will know their responsibilities.
- Provide used truck manager with consistent results, allowing for quicker approvals.
- Shorten the lead time for the used truck to be saleable, increasing potential for unit to be sold retail, increasing gross profit.
- Aid in deciding how unit will be sold, retail vs wholesale on larger trade packages.
- Creation of additional revenue in parts and service.

Describe your action plan in detail (be specific and include before and after measurements)

- To ensure the used truck department is treated as a “customer”, internal labor rate for repairs will be adjusted to meet established warranty labor rates of $116 per hour, an increase over previous rate of $100 per hour.
- Service department will dedicate specific writers and technicians to process inspections, creating an internal service team to accommodate the used truck department. Having all members of the inspection team trained on the unified process will ensure each inspection is completed consistently using the same tolerances for needed and suggested repairs.
    - Previous inspections were not consistent, creating additional dialog between used truck manager and the service team adding valuable time to the process.
- Upon arrival at the dealership, each used truck will be checked in by porter, noting any damage on delivery receipt and immediately written up for used truck inspection.
    - Service request will be delivered to the service department along within 24 hours of arrival.
- Service management will schedule the inspection with first available technician from designated inspection team.
    - Used truck manager will receive write up including labor and parts estimates within 24 hours and authorize repairs with a goal of 2 hours.
- Expedited turn times allow for better decision making when it comes to retail vs wholesale. Our used truck department on average wholesales 68% of all vehicles acquired with an average gross per unit of only $1,036.
    - With the ability of moving trucks through the shop on a consistent basis, we can allow more units to remain in inventory to be sold at retail.
    - Current retail gross profit per unit is $3,577. If we can increase our retail sales by 10% over current levels, we can expect to recognize additional annual gross profit of $125,195.

Timeline: Describe specific short term and long term checkpoints to monitor progress

- Progress will be monitored by logging all inspections and tracking approval times.
- Technician labor times on inspections will be verified to ensure proper quoting.
- Inspection log and activity will be reviewed in weekly managers meeting.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences. Include timelines / Accountability / Monitoring process

a. Who: service manager, service team, used truck manager, sales coordinator, operations manager,

b. What: sales and service team need to understand the importance of timely inspections, report out, approval and completion of all approved repairs.

c. By when: labor rates will be adjusted first of the month and continually monitored. Inspection forms and expectations will be reviewed with service team immediately along with sales team for expedited approvals.

d. How: all team members will receive written process along with supporting documents and forms to increase level of execution. Daily huddles will be used to reinforce policy and to address any concerns.

Dealer agreement:

If you need your sponsors support or approval to implement your plan, have it signed off before you start. If you can proceed on your own, present this action plan to your sponsor before next class. Describe the meeting:

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