ACTION PLAN 1

S Specific M Measurable A Achievable R Relevant T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

I will decrease Parts & Accessories Inventory frozen capital from $858,754 to under $400,000 by 2023.

BOTTOM LINE: Benefits of Achieving Your Goal

- Lower frozen capital
- More cash
- Better inventory turns

Consequences of Not Achieving Your Goal

- More tied up money
- Inefficeient Parts managment
- Less inventory turns
- Wasted parts = wasted money

When will you start? Now, December 2021

How will you gauge your progress? When? Using which metrics?

Monthly by using the previous months Financial Statement to get YTD Parts and Accessories Sales and Gross Profit along with the Parts and Accessories Inventory.

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NADA ACADEMY

What specific actions will you take to achieve your goal? Who can help you?

- I will conduct an inventory analysis of all parts over 30 days old and take a look at what processes are used to aquire and track new inventory.
- Improve the line of communication between the service bays and parts department
- Monthly bin inventory checks that are distrubuted amongst the members of the parts department
- Maximize inventory return allowance
- Implement a 30 day limit on inventory before return
- Adjust the phase in and phase out limits for troubled inventory
- Do a better job of enforcing the pre pay policy for non warrany parts

Potential Challenges?

- Dedicating the time of our parts employees towards these fixes
- Retraining our employess on new processes and procedures
- Keeping up with monthly bin inventory checks
- Getting the service department to enforce policies that only benefit parts

Potential Solutions?

- Hire another employee to help or temporarily bring someone over from another department
- Create a system for easily tracking and managing the inventory checks
- Incentivise both service and parts to make these changes

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