

Departmental Action Plan

Dealership

Student Name

Academy Week

Class & Student Number

Current Situation

We have a fairly high employee turnover for our parts counter personnel. The employees that we tend to hire are on the younger side, with no real training. Our parts manager has been with us since he was a teenager, so while he's open to change, his only experience has been with us. We need to begin establishing career paths for our parts personnel and paying them in a way that will incentivize them to reach aggressive but achievable goals. However, we can't do this until we get them trained properly.

Overall Objective:

Work on a training schedule for all parts employees. For Parts Manager, this includes an NADA course; for counter people, this includes a sales-specific training and a Honda-specific parts training.

Proposed Timeline

1. December 2017: Meeting with Parts Manager to establish the need for training
2. January 2018: Identify appropriate training programs for each parts counter person (both sales and Honda).
3. February/March 2018: Sales trainings for all counter people (staggered)
4. April/May 2018: Honda trainings for all counter people (staggered)
5. June 2018: All training completed for the year. Set sales goals.
6. July - December 2018: Monthly performance reviews with all employees, looking at both previous year and previous month.

Action Plan

1. Review all employees' sales numbers from the previous year with each employee and Parts Manager. Discuss goals for the upcoming year and set expectations for daily sales, wholesale opportunities, and customer service experience.
2. Identify appropriate training programs and enroll all parts personnel in training programs.
3. When they finish each class, each employee is to write up a summary of what they learned and how they will apply those learnings to their jobs to both myself and the Parts Manager.
4. Once all employees have been trained properly, begin monthly performance reviews to ensure employees are hitting their goals and measuring their improvement from previous year/month. Adjust pay plan as necessary to ensure employees are satisfied and driven to continue to produce results.

Requirements

Meeting with Dealer:

1. Action Proposed: Proposed above action plan to GM.

Meeting with stakeholder(s) (dealership personnel):

Describe what is in place to support desired goal:

Training / Coaching / ±Consequences related to results / Pain & Gain

Training: all Parts personnel will be enrolled in a variety of training programs - the Parts Manager and Assistant Parts Manager will attend NADA, and the counterpeople will attend both sales and AHM trainings.

- Coaching:** The Assistant Parts Manager will take a leading role in coaching the counterpeople. In addition to training, he will shadow each counterperson for a full day 1-2 times a month (business volume allowing) and ensure they are on the right track and taking away appropriate lessons from trainings. Additionally, the Parts Manager will begin delegating certain higher level tasks to the Assistant
2. Parts Manager to ensure his career growth as well.

Consequences related to results: While the results will likely be positive from a net profit/gross profit/sales/employee commission standpoint, the personnel could realize their skills in sales and either ask for an increase in salary, leave for a more lucrative position, or ask to move to another department. Hopefully their new commission structures will prevent this, but with the addition of skills, comes the threat for leaving.

Pain & Gain: No one loves sitting in a classroom for training, so the clear "pain" is getting the personnel to engage with their classes. Additionally, the department is understaffed as it is, so having even one person out for a day or two in training will lead to an overwhelmed staff at work. However, the gain is clear - the staff will be more competent and confident in their roles, and will bring the store more sales, leading to higher paychecks and, perhaps as importantly, more satisfaction and purpose in their job.

Accountability: Monitoring progress:
Who: Parts Manager, Parts Counter Personnel
What: Sales Performance for Retail Counter Consultants; Incremental Wholesale Business (increase in business with existing customers + new customers)
3. **By When:** End of Year (2018)
How: Review sales performance with personnel and manager on a monthly basis, comparing sales MoM and YoY both pre- and post-training. Have personnel provide recaps from each training session to be reviewed by manager to ensure they are getting the most out of each session as well.

Describe checkpoints that have been established to measure progress:
Daily / Weekly / BI-weekly / Monthly /
Weekly: Establish a weekly checkpoint to review previous week's sales with personnel and parts manager.
4. **Monthly:** Establish a monthly checkpoint with Parts Manager and myself to review each counter person's progress; then, include each individual counter person in the meeting separately to review progress. In these meetings, establish goals for each counter person for the upcoming month to be reviewed at the next meeting.
Date(s) for review: Every Monday for weekly checkpoints; first business day of the month for monthly checkpoints.

5. **Estimated cost for Implementation:** \$5,000-\$7,000 in training for all Parts personnel.

Projected Date of Completion: June 2018

Sponsor Signature: 

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

Impact Areas:
Sales / Gross / Expenses / Net Profit / CSI /

Sales & Gross: Expect to see the most significant increase in sales and gross. By training our counterpeople in the art of selling, there should be an uptick in total products sold (for example, pushing the upsell for additional products when customers ask for something specific). They'll also be more aggressive with pricing, only giving discounts when necessary - not just giving products away.

Expenses: Will increase. While the training will be spread out over a period of months, it is a fairly significant expense for a department that has low expenses. Additionally, our personnel expenses will go up from a compensation standpoint - their pay plans are largely commission-based, so as they sell more, they will also make more.

Net Profit: Will see a slight uptick, but ultimately, as the counterpeople make more money, there will also be an uptick in personnel expense from a compensation/commission standpoint (see above).

CSI: Should see a big improvement! Though this plan has been focused primarily on increases in sales and employee development, CSI will definitely be impacted positively as well. As our personnel are trained in sales, they will learn how to best work with customers and answer phones, one of the biggest lifelines of the parts department. Through knowledgeable, patient, and even charming interactions with customers, our CSI will experience serious improvement.