

SOPT30 – Fixed Operations I (Parts Online)

Salvatore Cava

S.M.A.R.T. Action Plan

24 May 2022

- Under our company name we have two car lots, and for the majority of this course I have been referencing the financial statement and DMS Report for Reynolds and Reynolds at our Toyota location. With the course about to wrap-up, I would like to use all of the information I have gathered and apply it to our GMC lot, which happens to also be having a grand opening in a new building this summer.
- As discussed in my previous Action Plan, we will be extending our routes this summer so our Toyota drivers can find new body shops to do business with, relinquish their duties of the GMC deliveries and subsequently hiring additional drivers for the GMC lot. However, there are many other things we need to incorporate to have this new lot start with some momentum.
- I know we don't have to use KPI in this action plan, but I have come across a few that I think we should consider. If the ratios are off this could mean there is an imbalance in our system and tweaking it just a bit could reap benefits we were originally unaware of.
 - Inventory Turns = $(\text{cost of goods sold}) \div (\text{average inventory})$
 - As discussed before, this determines if we have too much inventory in comparison to sales. Inventory that isn't moving is just costing us space and money.
 - Throughput = $(\text{units produced}) \div (\text{time})$
 - This shows if our production line / repair protocol is efficient or not and if we have too much downtime. Downtime is more expensive than perceived,
 - Utilization Rate = $(\text{actual level of output}) \div (\text{maximum level of output}) \times 100$
 - This shows how many vehicles are being maintenance / repaired / tended to versus how many could actually be completed in the allotted time under optimal conditions.
- These are just 3 I found online (<https://www.loganconsulting.com/blog/6-key-kpis-for-automotive-industry-operations-executives/>) that I feel were relevant to the course or were previously mentioned in the one of the live sessions. Reviewing these would be a good start and could help us identify staffing/employee issues, system errors, or unnecessary spending. This meeting will have to be conducted before the opening of the new lot (tentative opening date July 1st) and will need to be with the general manager (Scottie Morris), Parts and Service Director (Paul Knotts), and the

two Parts Clerks John and Eddie. As of now, once I get the confirmation from the others I believe June 1st around 4:00 will work. This is typically a time when both the service and parts departments have slower business.