

Departmental Action Plan

Dealership

Student Name

Academy Week

Class & Student Number

Current Situation

Special Order Parts
We currently have no formal written process for the handling of Special Order Parts. We have vague directives for the ordering and handling of SOP requests but no actual procedure for them. One of our main deficiencies in parts is the follow up of received SOPs and getting customers back into our shop to install or pick up their SOPs. Our main problem is with a lack of employee accountability when it comes to the follow up of SOPs, particularly our service advisors due not follow up with their customers who we have SOPs for.

Overall Objective:

OBJECTIVES:
• Develop and implement a formal written special-order parts process by our next class on April 23rd 2018.
• Increase the pickup / installation rate of our Special ordered parts.
• Increase employee accountability in the processing and handling of Special Order Parts inventory.

Proposed Timeline

Implement process by next class on April 23rd 2018.
• Immediate: Begin draft of written process for handling of SOPs
• Week of 03/26/2018: Approval of process by Owner and Manager heads, (ie: Service and Parts Dept.)
• Week of 04/02/2018: Training of personnel, Parts Counter-people, Service Advisers, Managers on new process.
• By 04/09/2018: Begin implementation of new SOP process.

Action Plan

Action plan:
• Step 1: Create a formal written protocol for the handling of all SOP parts request, Service, Wholesale, Counter sales, etc. With emphasis on SOP follow up and appointment scheduling.
• Step 2: Propose processes to department heads and owner for approval and to promote buy-in. Amend as deemed necessary.
• Step 3: Training of personnel, Parts Counter-people, Service Advisers, Managers on new process, Set expectations, address any questions or concerns.
• Step 4: Implement new processes and begin employee accountability.
• Step 5: Weekly follow up of our SOP position by Parts and Service managers. Address any aging SOPs or SOP procurement issues.

Requirements

1. **Owner approval:**
Propose action plan to Dealer Principal for approval.

2. **Meeting with stakeholder(s) (dealership personnel):**
Describe what is in place to support desired goal:
Training / Coaching / ±Consequences related to results / Pain & Gain
Manager approvals:
Meet with Parts and Service department managers to discuss proposed SOP policy. Receive input. Add to and amend policy as deemed necessary. Promote departmental buyin.
Meeting with stake holders:
• Parts Department and Service Departments. ASMs, Parts Counter-people, Technicians, Managers.
• Train all personnel on new policy with department managers. Explain our deficiencies and why these formal written policies need to be enacted.
• Demonstrate via our SOP report that the majority of our SOPs have no scheduled follow up appointments.

Accountability / Monitoring progress:

Who:

- Parts manager, Service Manager, Parts Counter-people, ASMs.

What:

- ASMs: Solely responsible for handling their own Repair Order SOPs, ensuring SOPs have set appointment dates for installation.
- Parts Counter-people: Responsible for handling their own SOPs, having set pickup dates for customers they have SOPs ordered for.
- Service Manager: Responsible for holding ASMs accountable for following SOP Policies, and ensuring SOP Repairs have set scheduled appointment dates
- 3. • Parts Manager: Responsible for holding both ASMs and Parts Counter-people accountable for following SOP Policies, and ensuring SOP Repairs have set scheduled appointment/pickup dates dates.

By When:

- We hope to have these new policies in effect by our next class on April 23rd 2018.

How:

- Parts manager will monitor DMS SOP reports daily.
- Appointment/pickup dates will be noted on the SOP slip that is attached to the SOP on the SOP shelf.
- Parts manager will follow up on any missing appointment/pickup dates daily.
- Parts manager and service manager will address any delinquent SOPs weekly

Describe checkpoints that have been established to measure progress:

Daily / Weekly / Bi-weekly / Monthly /

Daily

- Parts Manager will monitor SOPs on a daily basis to ensure parts have set scheduled appointments by the end of business each day.
- 4. **Weekly** – Parts and Service managers will SOPs on a weekly basis to address any SOPs that have not been picked up or have missed their scheduled appointments and reschedule as necessary.
- Monthly** – Parts manager will return non picked up SOPs with no scheduled appointment/pickup date on a monthly basis to reduce obsolescence.

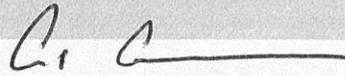
5. **Estimated cost for implementation:**

No true cost will be incurred for implementing this action plan. Additional training on new policies will be needed for all concerned personnel, but this will carry no inherent cost above or beyond normal expenses.

Projected Date of Completion:

April 23rd 2018

Sponsor Signature:



Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI

Sales

These new policies should allow our dealership to see an overall increase in sales from SOPs. Our main problem with SOPs is follow up by both ASMs and parts counter people to get customers back in our dealership to pick up or install the SOPs. This new process should see an increase in getting customers to return for SOPs which should translate to an increase in sales.

Gross

We do not expect to see any significant impact on our Gross profit numbers from this plan. Our Gross profit numbers are within NADA guide.

Expenses

We don't foresee any added expense to implement this program. Hopefully in the long run it will help to reduce our overall expense in the Parts Dept. by helping to limit obsolescence due to SOPs.

Net Profit

Net profit will hopefully see a slight increase due to the increased parts sales and labor sales from getting customers back in to install their SOPs. An added benefit may be the reduction of needed discounts given to unhappy customers for forgetting to follow up with them about their SOPs that were forgotten about.

I am attaching a copy of our new SOP process for your reference

Curran Volkswagen Special Order Parts Process

All over the counter / counter sale SOPs must be paid in full upfront before ordering.
No returns will be excepted on retail counter sold SOPs.

Technician requested special order parts will use "Print, Circle, Sign" method of ordering to help increase parts ordering accuracy.

Effective **IMMEDIATELY**:

All Special Order Parts must have a scheduled pick-up and/or installation appointment scheduled with the customer by end of the day that the order has been placed.

The majority of our SOP parts orders have known defined delivery dates set, whether they are ordered on the stock ordered, special ordered or an emergency purchase. Appointments for pickup/installation of SOPs should be set with the customer at time of order. This process will help reduce unnecessary follow up of SOP orders, help to reduce the time SOPs sit on the shelf, and increase overall CSI for the Service/Parts Depts.

Scheduling appointments/pickups will solely be the responsibility of the ASM or Counter Person who ordered the part.

Any exceptions will be handled weekly on a case by case basis by the Parts and Service managers respectively.

Non installed or picked up SOPs will be returned after 14 days.

All other returned SOP will be subject to a 10% restocking fee.

All Special Order parts will be stocked in with an exact Special Order part bin location to both designate the part as a special order, as well as making locating the part easier.