

# Profit Centering/ Expenses

- Specific- Reduce OBSO. Strive to be within NADA guide of 1.5-month supply. Order the right parts the first time. Reduce emergency purchases. Install a communication tool to allow techs to keep the wrenches turning.
- Measurable- Using the daily report “Daily” will ensure our progress. Holding all team members accountable to innovative technology. Implement a spiff program based on reduced OBSO and lower expenses and increased profit by minimizing (Profit Chompers)
- Attainable- With the proper attention to detail and training on the (New) process this is a very attainable goal. Our forgotten parts department is no more. Getting our OBSO down is no longer back-shelf (see what I did there) Top of mind awareness always wins the war.
- Relevant- This action plan is truly relevant to our real-world problem. Our OBSO is out of control according to the guide. We are nearing a 14-month supply. Not only is our parts department overcrowded with returns and SOP's, but we have also created 300k in frozen capital. This is not only hurting our profitability, but it is becoming a dangerous workplace. Not to mention that our Manufacturer partners are getting concerned with our ability to manage our inventory properly.
- Time-Bound- This action plan creates a massive loss of revenue due to the amount of OBSO's we currently have. We will start to write down our inventory and control our expenses on Monday April 3<sup>rd</sup>. Over the next 24 months, my goal is to find homes for these parts. We will use social media, garage sale events and even donations. If all else fails, the city offers A fantastic dumpster service.