



PARTS WEEK 2 – POST CLASS ACTION PLAN

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THE CURRENT SITUATION & OVERALL OBJECTIVE

- Toyota of Warsaw OBSO Position is **24%** vs. NADA Guide Less than **5%**.
- The overall objective is to decrease obsolescence from 24% to 10% by:
 - Creating and implementing new processes for
 - Special Order Parts
 - Tracking Lost sales (no lost sales are tracked as of now)
 - Plan to get rid of OBSO parts
 - Training on Process Changes and Definition of Lost Sales

PROPOSED TIMELINE & ACTION PLAN

- Projected Date of Completion is July, 31st 2018 (90 days)
- Necessary Actions to Reach Desired Result of Less than 10% OBSO:
 - April 18th, 2018 - State of Parts OBSO
 - Meeting with Stakeholders - GM, Controller, Parts Manager & Service Manager
 - Review DMS report “inventory by last sold” to highlight technical OBSO position and potential OBSO
 - Discuss what makes up the current OBSO & why (are we stocking correct parts? Tracking lost sales? Are we price competitive)
 - Review results from SOP study and breakdown current process to pinpoint gaps and solutions to fix
 - Review wholesale returns and process and identify possible gaps and opportunities
 - Parts Manager & Service Manager to come up with New Process, Plan to implement and plan to sell off OBSO by next meeting
 - April 30th, 2018 - New Process Meeting & Strategy (GM, PM, SM & Controller)
 - Review new proposed process by Parts Manager for the following Areas
 - SOP Process
 - Lost Sales Process / tracking
 - Plan to Get Rid of OBSO
 - GM to review Plan & Timeline to Dealer on May 1st, 2018

TIMELINE, ACTION PLAN & REQUIREMENTS

- **May 4th, 2018 – First Friday Meeting to Roll Out Plan, Process & Expectations to Achieve Goal**
 - Break out Meetings for Parts Manager + Team & GM / Service Manager + Team & GM
 - Review of New Process vs Old Process for specific department
 - Get Feedback on new process
 - Parts Manager, Service Manager & Team sign off on new process
- **May 11th, 2018 – Follow-up Meeting with Parts & Service Manager**
 - Managers to review progress and adjustments to plan based on feedback and initial implementation
 - GM to review calendar for monitoring progress
 - Consequences if no improvement made by Checkpoint #1

REQUIRMENTS, MONITORING & REVIEW DATES

- **Weekly Meetings (GM & Parts & Service Managers)**
 - GM Reviews Progress of Individual Department & Expectations
 - SOP part orders, appointments made / SOP installed for the prior week
 - Review OBSO status
 - # & \$ of OBSO Donated to tech school
 - # & \$ OBSO sold to used car department
 - # & \$ OBSO sold from J Bin for OBSO / Potential OBSO
- **Daily Parts & Service Manager Meeting**
 - Discuss SOP status, if customer contacted, when and how many times, appointment made & 5 day plan, 10 day plan if not installed.
 - Keep daily record using excel document to give to GM for weekly meetings

REQUIREMENTS, MONITORING & REVIEW DATES

- **Month End Meetings (GM & Parts & Service Manager)**
 - Checkpoint May 31 / June 15 / June 30 / July 15
 - Show progress in decreased OBSO %
 - Review process implantation status
 - “GM were observe department would GM see the process being followed ?“
 - Next Steps and Meetings based on progress
 - Continue to adjust process and strategy based checkpoints
- **If Goal Achieved by before July 31st the new goal will be to get OBSO down to NADA Guide of Less than 5% and maintain between 5%-10%**

ESTIMATED COST

- Estimated Cost for Implementation
 - Technical OBSO value is about \$13,500.
 - Cost to sell OBSO will be tracked by Parts Manager & Controller
 - Parts sold at cost to used car department
 - Donated
 - J bin discount