Lexus Downtown Parts Department

Special order parts action plan

Currently at Lexus Downtown we don’t have a proper way of dealing with special-order parts. We would like to implement a new process to assist our parts department with their special-order parts. After spending some time with this department, I realize that we need help in creating a new way that would work the best for Lexus Downtown. We are located in downtown so space is limited and we can’t expect our parts department to be storage of the very expensive special-ordered parts that we have yet to be paid for. We need to come up with a plan to increase profits and create more space for our parts department.

Effective April first; we have decided to charge our customers at the time of placing an order. They have the option to pay in full or pay a minimum of 30% deposit. We will monitor this practice on a monthly basis and also every quarter. If for any reason after the 12 month of order we receive no response from our customer we will then return the product. We feel that this approach will create an obligation for the customer to come back for the product and will speed up the process. This will also open up some space which we need in the parts department.

Specific: The goal is to ensure that the special-ordered parts are not just sitting in the parts department as we need the space and money. This approach will create that space needed and the profits generated by the customer’s obligation to return for the product.

Measurable: Following the special part order exercise monthly and going through the numbers based on the financial statements.

Achievable: The department has a specific strategy to achieve a better special-order parts performance throughout a specific timeline.

Relevant: Overall objective is to increase profit on special-order parts.

Time-bound: Has a specific timeline monthly and quarterly.