ACTION PLAN 1

S Specific M Measurable A Achievable R Relevant T Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?

My Smart goal is to decrease my parts inventory day supply from 75 to 45 (guide) and also increase my turn from 4.8 to 8 (guide) by August 30th 2023.

BOTTOM LINE: Benefits of Achieving Your Goal

Carry less debt on parts that I stocking for no reason.
Free up cash for other purchases that could make more profit.

Consequences of Not Achieving Your Goal

Wasted money on parts getting old and not being able to return them. Frozen cash just sitting on shelves.

When will you start? Started May 2023

How will you gauge your progress? When? Using which metrics?

I will track progress by watching inventory levels weekly. Track monthly using sales and accs. sales dollars - gross profit & disc & adjustments and dividing by statement month. Then taking that number and dividing my inventory dollars by that number to get my month supply. Multiply by 30 to get day supply. For my turn 12 divided by month supply will give me my turn.

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NADA ACADEMY

What specific actions will you take to achieve your goal? Who can help you?

I will work with parts manager and SET to analyze which parts we are selling the most of and which ones we are stocking but not selling and adjust inventory accordingly. Explore options for online selling of parts. Explore options for wholesale parts sales.

Potential Challenges?

S.E.T. wanting us to continue to buy parts that their report says we sell but it could be in very small quantities. Selling parts cheap to unload old inventory. Managers being spiffed from manufacturer to buy more parts.
No wholesale or online parts sales right now.

Potential Solutions?

Deep dive into the softwarfe to verify stocking and selling date.
Pay a spiff to the parts manager and staff to get these numbers in line.
Sale parts online (online store)
Wholesale business

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