

First Time Fill Rate

DEALERSHIP NAME		Whisler Chevrole	First time fill rate
DATE	# OF RO'S	Time	Day
5/14/2018	5	4	0
5/15/2018	9	4	2
5/17/2018	7	5	1
5/18/2018	5	5	0
5/21/2018	3	1	1
5/22/2018	4	2	0
5/24/2018	11	7	2
5/25/2018	2	2	0
5/29/2018	7	6	0
Totals	53	36	6

Same Day	Rate %
1	80.00%
3	44.44%
1	71.43%
0	100.00%
1	33.33%
2	50.00%
2	63.64%
0	100.00%
1	85.71%
	#DIV/0!
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11	67.92%

REYNOLDS 2213						
Stocking Status		Inventory Value	% of Inventory	Guide		
INVESTMENT						
Normal or Active Stock		\$142,708		26.62%	over 70%	
Automatic Phase Out		\$338,165		63.08%	Less than 30%	
Dealer Phase Out		\$0		0%	Less than 1%	
Manual Order		\$0		0%	Less than 3%	
Non Stock Part \$'s		\$38,294		7%	Less than 5%	
Non Stock Part #'s*		4780		MEMO	Greater than 70% of PN's	
Core Clean		\$13,932		3%	PART #	# PIECES
Core Dirty		\$2,664		0%	PART #	# PIECES
Replace by hold RBH		\$354		0%	PART #	# PIECES
					NA	
Total Inventory		\$536,117		100%		

REYNOLDS

Activity	Value		% of inven	NADA	
				Guide	Notes
Current	\$89,901		17.30%	75%	this is your current a healthy parts invento
1-3 Months	\$75,256		14.49%	included	
4-6 Months	\$50,783		9.77%	23%	
7-9 Months	\$30,834		5.94%	2%	65% Will likely become
10-12 Months	\$10,899		2.10%	included	85% Will likely become
13-24 Months	\$48,744		9.38%	0%	Technically Obsolete
25+ months	\$213,104		41.02%	0%	
TOTAL	\$519,521		100.00%		

Our problem with obsolete was discussed pretty thoroughly at class. My parts manager inher The owner isn't willing to write a check and throw away at this point. The parts manager and I r order we get a 3% rebate back that will write off the old parts and they will get tossed. It will be our % of inventory looks much better. Not great but better.

GOOD
WARNING
DANGER
GREAT
Seldom used
OK....BUT..
OUCH !!!!!!!!!!!
YIKES

nd active ory			
	OBSO POSITION MATH DONE BELOW		
obso	.65 TIMES THE 7-9 MONTH VALUE	\$20,042	
obso	.85 TIMES THE 10-12 MONTH VALUE	\$9,264	
	PLUS THE 13-24 MONTH VALUE	\$48,744	
	PLUS THE 25+ VALUE EQUALS	\$213,104	
	OBSO AS A % OF TOTAL	\$ 291,154.03	56.04%

rited 212,000(actual physical count done by me before class) of parts dating all the way back to the 70
 made a deal with our stock order company out of Salt Lake City and at certain dollar amounts of mont
 a slow fix but there is atleast something in place. With the 25+ month old parts taken out of the equa

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Departmental Action Plan

Dealership **Whisler Chevrolet and Cadillac**

Student Name **Travis Montague**

Academy Week **Parts**

Class & Student Number **335/12**

Current Situation
Special Order Parts process is non-existent. Upon research into what was happening I found out that we were returning more parts with a 35% restocking fee then we were installing at an average 31.46% gross profit. In doing this we were infact hurting our business by even ordering these parts for customers. Pre-payment was happening on a per-case basis on counter retail and not at all on RO's.

Overall Objective:
Special order parts are a necessary and integral part of our business but it needs to be profitable. Overall objective includes pre-payment on all SPO's, method for tracking SPO's and little to no returns. If we reduce our returns we also reduce our restocking fee expense which will inturn increase gross profit. While simutaneously working on our gross profit across the department this will mean thousands of dollars in additional profit at the end of the year.

Proposed Timeline
We are currently returning over 30% of our SPO parts with a goal of 5%. By putting policies and processes into place we plan on reaching this goal by July 31st. GM restricts us from returning SPO parts before 90 days. We put the new google doc and process in place April 30th which means if we stay on track we will have all old(prior to April 30th orders) parts returned by July 31st and there will be no excuses for not being at or under 5% return.

Action Plan
We have put into policy that all parts ordered on an RO for non-downed vehicles require pre-payment in full. We will also collect payment in full for all parts ordered on the retail counter. We created a Google Doc(as shown in class) that tracks SPO parts from the day they are ordered to the day they are closed on an RO. Everything is tracked from the original call to let the customer know the part is here to the appointment and finally completion. Parts and service managers are held accountable daily for their own and their employees input of information. By pre-paying the customer is much more likely to come back and by having a process and people accountable for said process our returns will decrease and gross profits will increase.

Requirements

Meeting with Dealer:

1. Action Proposed: Everyone is on board! We have been running an ineffective parts department for a long period of time. Now with training and direction we will change for the better moving forward.

Meeting with stakeholder(s) (dealership personnel):

Describe what is in place to support desired goal:
Training / Coaching / ±Consequences related to results / Pain & Gain

- All management is under full understanding that the way we've done things in the past will not be tolerated going forward. We have in the past paid excessive salaries to managers that did not return a profit in their department. We are all commissioned in this business, so the more we make the dealership the more we make for our family. We will train how to politely ask for the pre-payment of special order parts along with training on the google doc for tracking SOP's. We will coach all involved employees so they understand how doing this correctly will positively effect their paycheck. Not doing what is asked will result in not having a job. We will train till it is obvious that training is not the problem then we will replace. Train, re-train, replace. If I remember correct I learned that week one of the academy.

Accountability: Monitoring progress:

Google Doc is a simple fix to a complicated problem. The google doc will be monitored for use daily. We will also track returns on the google doc to ensure that our returns are decreasing.

Who:

3. Managers: Travis Montague, Brian Friel, Jesse Coombs
Service advisors: Dustin Bingham, Jake Martin
Parts consultants: Cody McKee, Cassie Gale, Patrick Heeney
BDC: Andrea Christiansen

What:

Describe checkpoints that have been established to measure progress:
Daily / Weekly / Bi-weekly / Monthly /

- Google Doc is monitored daily for input. Google doc has everything from the day the part was ordered to BDC followup and appointment all the way through completion of the RO. Absolutely no reason every step is not monitored daily.
Date(s) for review:
May 31st will be first review for SPO return percentage. Goal is 5% by July 31st
July 2nd will be second review for SPO return percentage. Goal is 5% by July 31st
July 31st will be 3rd and final review for SPO returns to be at or under 5%. will be continually monitored thereafter.

5. Estimated cost for implementation:

Zero cost for implementing a process or for the google doc.

Projected Date of Completion: **July 31st for 5% return and continued monitoring to stay at or below goal.**

Sponsor Signature: _____

Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

nothing to measure at time of turning in this assignment but projected results are as follows;
Sales will not be affected directly by SOP process

Gross will not be affected directly by SOP process, although we have put in a pricing matrix as of 4/30 which has drastically helped our gross

Expenses will decrease as our SPO returns decrease. We are currently paying a 35% restocking fee on returned parts and returning over 30% of our SPO.

Net profit will increase as our return percentage decreases

PLEASE BE ADVISED
THIS ASSIGNMENT BY
IT'S SELF IS WORTH 100
POINTS.TAKE YOUR
TIME AND GET IT
CORRECT

net profit will increase as our return expense decreases.

CSI will definitely improve as we are following processes in getting the customer back in to schedule the repair instead of parts cards getting lost on advisor desks and being forgotten. Nothing worse then when the customer calls your service department two weeks later and asks if their part is in.