

First Time Fill Rate

DEALERSHIP NAME	NADA Motors	rst time fill rate		
DATE	RO'S	1st Time	Same Day	Day
5/22/2018	9	5	3	1
5/23/2018	10	6	2	2
5/29/2018	7	3	2	2
5/30/2018	10	8	2	0
6/1/2018	9	4	3	2
6/4/2018	6	3	2	1
Totals	51	29	14	8



Rate %
55.56%
60.00%
42.86%
80.00%
44.44%
50.00%
#DIV/0!
56.86%



PBS SCORECARD				GOOD
Stocking Status	Inventory Value	% of Inventory	Guide	WARNING
INVESTMENT				DANGER
Stock Parts	\$244,685	48.25%	over 70%	GREAT
Automatic Phase Out		0.00%	Less than 30%	Seldom us
		0%		OK....BUT
Manual Order	\$37,496	7%	Less than 3%	OUCH !!!!!
Test Part \$'s	\$211,399	42%	Less than 5%	YIKES
Test Part #'s*			Greater than 70% of PN's	
Core Parts	\$1,530	0%	pn	pieces
Core Dirty		0%	pn	pieces
Superseded Parts	\$11,978	2%	pn	NA pieces
			NA	
Total Inventory	\$507,089	100%		

REYNOLDS

Activity	Value	% of inven	NADA Guide	Notes
Current	\$170,995	33.74%	75%	this is your current and active healthy parts inventory
1-3 Months	\$154,666	30.52%	included	
4-6 Months	\$39,029	7.70%	23%	
7-9 Months	\$18,896	3.73%	2%	65% Will likely become obso
10-12 Months	\$9,263	1.83%	included	85% Will likely become obso
13-24 Months	\$31,842	6.28%	0%	Technically Obsolete
25+ months	\$82,079	16.20%	0%	
TOTAL	\$506,770	100.00%		

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OBSS POSITION MATH DONE BELOW		
.65 TIMES THE 7-9 MONTH VAL	\$12,282	
.85 TIMES THE 10-12 MONTH V	\$7,874	
PLUS THE 13-24 MONTH VALUE	\$31,842	
PLUS THE 25+ VALU EQUALS	\$82,079	
OBSS AS A % OF TOTAL	\$134,076.95	26.46%

Departmental Action Plan

Dealership SOUTHGATE RORD

Student Name STEVE OBEN

Academy Week II - FIXED OPS 1 - PARTS

Class & Student Number N335-06

Current Situation

Our previous Parts Manager was much more actively focused on the Wholesale business, including seeking out new accounts and staffing the Parts department with additional employees to try and cover a wider portion of the wholesale market. After his departure (he was poached by another dealership) he took a number of his larger accounts with him, and at the same time another (multi-franchise) dealership group entered the Wholesale market and started undercutting everyone on price. The Owner completed an analysis and concluded that the additional expenses associated with the Wholesale business were not being covered by incremental revenue being earned. As such, a decision was made to scale back the Wholesale business to focus on the most profitable accounts we could serve using a more streamlined staff. The result, however, is that our Parts inventory now contains (at month end April '18) 2,333 pieces of obsolete inventory (over 12 months old) totaling \$113,920 (22.5% of total value of parts inventory). Many of these pieces were purchased to satisfy previous Wholesale customers. The current parts manager has been actively trying to unload obsolete pieces (primarily via OE Connection for 50%/75% of cost, Cash Discovery Program for 50% of cost or DealerMine for 50% of cost), but obsolete inventory continues to comprise nearly 25% of total inventory.

Overall Objective:

To reduce Obsolete Parts Inventory (parts 12 months or older) as a percentage of the total value of parts inventory from 22.5% at month-end April '18 to 10% by month end September '18. Eliminating old/obsolete pieces from inventory will free-up availability to purchase additional, more current parts, and hopefully have more relevant parts available to fix vehicles in a more timely manner.

Proposed Timeline

The value of obsolete parts inventory as a percentage of total parts inventory stayed relatively flat from Apr18 to May18, so I would like to see this step down to 18% by month-end Jun18, 15% by Jul18, 13% by Aug18 and 10% by Sep18.

Action Plan

Describe necessary actions to reach desired result:

The Parts Manager will remain active on the existing sites we are using to try and unload obsolete inventory: OE Connection, Cash Discovery Program and DealerMine (which we only started using in April), as selling these parts at \$0.50 on the dollar is more desirable than only getting \$0.10 or \$0.20 on the dollar. However, going forward we will also use the following sites in order to get in front of additional eyeballs: Partsvoice.com & Hemmings.com. I will track this metric each month, and if the obsolete inventory is not declining as a percentage of total value in-line with the above schedule, we will look into additional methods of disposal including: (i) negotiating with USD Inc., a company who has previously approached us and tried to purchase inventory at a ~90% discount; or (ii) donating obsolete parts to a local Tech school to gain a tax credit and (hopefully) some good publicity.

Requirements

Meeting with Dealer: 6/4/18

1. Action Proposed: To reduce Obsolete Parts Inventory (parts 12 months or older) as a percentage of the total value of parts inventory from 22.5% at month-end April '18 to 10% by month end September '18.

Meeting with stakeholder(s) (dealership personnel): 6/4/18

2. Describe what is in place to support desired goal:
Reducing obsolete inventory will free-up capacity for additional purchases of current inventory. Our Parts Manager is a veteran employee with ~25yrs of experience in the department, so no additional training is necessary.

Accountability: Monitoring progress:

Who: The Parts Manager (Dean Wood) and I will monitor obsolete inventory on a monthly basis to ensure that it is being reduced in-line with the schedule that has been put in place.

What: Obsolete Parts

By When: We will meet shortly after each month end period to track obsolete inventory vs. schedule. I expect to be down to 10% of total inventory value by month end Sep18.

3. How: By remaining active on the existing sites we are using (OE Connection, Cash Discovery Program and Dealermine) to try and sell parts at a 50% discount, plus using tools we will implement shortly: Partsvoice.com and Hemmings.com. if the obsolete inventory is not declining as a percentage of total value in-line with the above schedule, we will look into additional methods of disposal including: (i) negotiating with USD Inc., a company who has previously approached us and tried to purchase inventory at a ~90% discount; or (ii) donating obsolete parts to a local Tech school to gain a tax credit and (hopefully) some good publicity.

Describe checkpoints that have been established to measure progress:

We will monitor progress monthly shortly after the end of each month once reporting is available.

4. Date(s) for review: June 4, 2018 // July 3, 2018 // August 3, 2018 // September 3, 2018

5. Estimated cost for implementation: ~\$40,389 (of the \$62,136 of obsolete inventory we would need to sell to get down to 10%, I have assumed we sell half at 50% of cost and the remaining half at 20% of cost.

Projected Date of Completion:

September 30, 2018

Sponsor Signature: _____

Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

REYNOLDS 2213				
Stocking Status	Inventory		% of Inventory	Guide
INVESTMENT	Value			
Normal or Active Stock			#DIV/0!	over 70%
Automatic Phase Out			#DIV/0!	Less than 30%
Dealer Phase Out			#DIV/0!	Less than 1%
Manual Order			#DIV/0!	Less than 3%
Non Stock Part \$'s			#DIV/0!	Less than 5%
Non Stock Part #'s*			MEMO	Greater than 70% of PN's
Core Clean			#DIV/0!	PART # # PIECES
Core Dirty			#DIV/0!	PART # # PIECES
Replace by hold RBH			#DIV/0!	PART # NA # PIECES
				NA
Total Inventory	\$0		#DIV/0!	

REYNOLDS

Activity	Value	% of inven	NADA Guide	Notes
Current		#DIV/0!	75%	this is your current a
1-3 Months		#DIV/0!	included	healthy parts invento
4-6 Months		#DIV/0!	23%	
7-9 Months		#DIV/0!	2%	65% Will likely become
10-12 Months		#DIV/0!	included	85% Will likely become
13-24 Months		#DIV/0!	0%	Technically Obsolete
25+ months		#DIV/0!	0%	
TOTAL	\$0	#DIV/0!		

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

nd active			
ry			
	OBSO POSITION MATH DONE BELOW		
obso	.65 TIMES THE 7-9 MONTH VALUE	\$0	
obso	.85 TIMES THE 10-12 MONTH VALUE	\$0	
	PLUS THE 13-24 MONTH VALUE	\$0	
	PLUS THE 25+ VALUE EQUALS	\$0	
	OBSO AS A % OF TOTAL	\$ -	#DIV/0!

CDK		Inventory	% of Inventory	Guide
Stocking Status	INVESTMENT	Value		
Normal or Active Stock			#DIV/0!	over 70%
Automatic Phase Out			#DIV/0!	Less than 35%
Dealer Phase Out			#DIV/0!	Less than 1%
Manual Order			#DIV/0!	Less than 3%
Non Stock Part \$'s			#DIV/0!	Less than 5%
Non Stock Part #'s*		MEMO		Greater than 70% of PN's
No Phase Out	Not on ADP			NA
Repape by Hold	Not on ADP			NA
Clean Core			#DIV/0!	p/n pieces
Dirty Core			#DIV/0!	
Total Inventory		\$0	#DIV/0!	

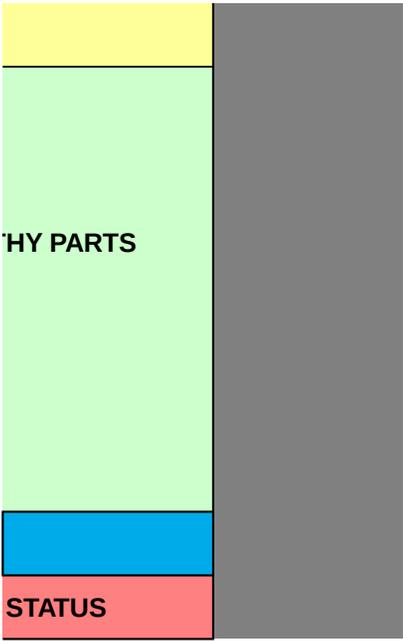
ADP				
Activity	Value \$	% of Invent	%	Notes & Guides
0-3 Months			#DIV/0!	ACTIVE INVENTORY at 75%
4-6 Months			#DIV/0!	ACTIVE INVENTORY at 23%
7-12 Months			#DIV/0!	75% will likely become Obso 2%
Over 12 Months			#DIV/0!	Technical Obsolescence 2% is g
New parts no sales			#DIV/0!	Minimal Amount
Total Inventory		\$0	#DIV/0!	

COLOR SCORING				
GOOD				
WARNING				
DANGER				
GREAT				
Seldom used				
OK...BUT..				
OUCH !!!				
OUCH !!!!!				
ouch!!!				
OBSO POSITION				
is guide	.75 TIMES	\$		0
uide	PLUS			0
	PLUS			0
	EQUALS		#DIV/0!	0

DEALER TRACK STATUS			MONTH OF:			PROFILES BEST OF CLASS	
			%	0	PIECES	VALUE	
ACTIVE PARTS: STOCKED			#DIV/0!				70%
ACTIVE PARTS: EXCESS STOC			#DIV/0!				LESS THAN 1 %
ACTIVE PARTS: UNDERSTOCK			#DIV/0!				LESS THAN 1 %
ACTIVE PARTS: TO PHASE OUT			#DIV/0!				LESS THAN 30%
TOTAL ACTIVE PARTS			#DIV/0!				
SUPERCEDED W/ON HAND			#DIV/0!				LOW DBL NUMBERS
INACTIVE W/ON HAND			#DIV/0!				LESS THAN 30-35%
TOTAL INV. TO SELL			#DIV/0!				
CORES ON HAND							LOW PIECE COUNTS
NEG-ON-HAND							LOW DBL NUMBERS
TOTAL OF INVENTORY							
PARTS ON OPEN R. O.'S							ONE DAYS AVG SALES
VALUE OF TOTAL INVENTORY							
NOT ON FACTORY MASTER							MINIMAL
PARTS WITH OUT COST							MINIMAL
INVENTORY AGING BY LAST SOLD							
			VALUE	%	ACUM %	INSTRUCTORS NOTE	
NEVER SOLD				#DIV/0!	#DIV/0!	THIS IS TECHNICAL OI	
ONE YEAR AGO PLUS				#DIV/0!	#DIV/0!		
ELEVEN MONTHS AGO				#DIV/0!	#DIV/0!	THIS IS POTENTIAL OI	
TEN MONTHS AGO				#DIV/0!	#DIV/0!		
NINE MONTHS AGO				#DIV/0!	#DIV/0!	THESE PARTS WILL BE IN A "AP" STATUS! OUT IS SET AT 0 IN 6	
EIGHT MONTHS AGO				#DIV/0!	#DIV/0!		

SEVEN MONTHS AGO			#DIV/0!	#DIV/0!	
SIX MONTHS AGO			#DIV/0!	#DIV/0!	THIS IS YOUR ACTIVE HEALT INVENTORY
FIVE MONTHS AGO			#DIV/0!	#DIV/0!	
FOUR MONTHS AGO			#DIV/0!	#DIV/0!	
THREE MONTHS AGO			#DIV/0!	#DIV/0!	
TWO MONTHS AGO			#DIV/0!	#DIV/0!	
ONE MONTH AGO			#DIV/0!	#DIV/0!	
CURRENT MONTH			#DIV/0!	#DIV/0!	
TOTAL INVENTORY			#DIV/0!		
CORES WITH ON HAND					CONFIRM DIRTY & CLEAN

CLASS	COLOR
	SCORING
	GOOD
	WARNING
	DANGER
	GREAT
	Seldom used
	OK....BUT..
	OUCH !!!
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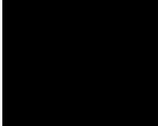


UCS SCORECARD				
Stocking Status Observations	Inventory Value		% of Inventory	Guide
Active Stock (0-6 month activity)				over 70%
Zero Guide (Auto Phase out)				Less than 35%
No bin Location Parts				Less than 1%
Manual Order Review				Less than 3%
No Match (Non Stock Part \$'s)				Less than 5%
Total Watch #'s (N/ Stock Part #'s)				Greater than 70% of PN's
Clean Core				
Dirty Core				Are controls in place?
Extra Lines				NA
Extra Lines				NA
Total Inventory	\$0			

UCS

Investment	NADA			
Activity	Value	% of inven	Guide	Notes
Current TO 3 Months		#DIV/0!	75%	this is your current a
3 to 6 Months		#DIV/0!	included	healthy parts invento
6-9 Months		#DIV/0!	23%	65% Will likely becom
9-12 Months		#DIV/0!	2%	85% Will likely becom
12 Months + Over		#DIV/0!	included	This is your Technical
		#DIV/0!		
		#DIV/0!		
TOTAL	\$0	#DIV/0!		

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



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ory

e obso \$0.00

obso \$0.00

OBSO \$0

\$0.00

#DIV/0!

113786	0.220304			sold off	
516495		0.1	51649.5	62136.5	
				31068.25	0.5 15534.13
				31068.25	0.8 24854.6
					40388.73