

NADA PARTS MANAGER QUESTIONS

- #1 **Pricing levels are continuously monitored for comparison**
- #2 **Pricing is lower than our 3 closest competitors but within PAG guidelines**
- #3 **Surveys are done periodically. Our parts pricing structure is competitive with our 3 closest same brand competitors.**
- #4 **pricing guides are set for Retail, RO Mechanical, Wholesale, Internal and Warranty**
- #5 **Counter people can change prices but it is closely monitored with weekly reports per audit**
 - Service advisors cannot change parts pricing**
- #6 **Most parts are entered into inventory as OEM from factory master pricing to prevent costing errors. Reviewed by internal audit**
- #7 **See # 6**
- #8 **Discount purchases are coded to the invoice at time of purchase so true cost is added to inventory, and discount is added to gross.**
- #9 **some internet presence...Dealer Website**
- #10 **Merchandising programs are through our service dept. as a Parts and Service joint effort.**
- #11 **we have discontinued the use of an outside salesperson**
- #12 **No, we no longer have co-op**
- #13 **Yes we have a mobile app**
- #14 **Yes, they are checked monthly**
- #15 **Pay plan are regulated by our HR dept. They are reviewed annually.**
- #16 **we have 3 counters. We sell wholesale, retail, Internal and customer pay in our shop. We also sell to our own collision center as Internal.**
- #17 **we do have an accessory sales person. Jorge.**
- #18 **Wholesale customers are reviewed rigorously to PAG profit guidelines.**
- #19 **we do not actively pursue wholesale parts sales per corporate guidelines.**
- #20 **Wholesale customer applications are reviewed by our corporate accounting office. Tax forms are required by law, and audit.**
- #21 **Expenses are monitored closely by myself and corporate**

- #22 **See #20. Parts manager is responsible for delinquent accounts.**
- #23 **Financial Statement is available, but we use our corporate browser and have monthly MOR meetings**
- #24 **S/O policies are standard Reynolds and Reynolds.**
- #25 **we are not allowed to prepay S/O parts per corporate guidelines. We have S/O types which consist of Tech Counter, Warranty, Wholesale, Retail and Internal**
- #26 **we retain s/o parts for 30 days. All parts are returnable through Toyota's return parameters**
- #27 **Counter people start the S/O process. Parts are checked in by our warehouse personnel and then the S/O bin is maintained by a management assistant.**
- #28 **S/O forms are not used. We are electronic and paperless.**
- #29 **S/O parts are located in their own separate bin. Customers are called on part arrival by the BDC. The S/O bin is purged every 30 days. Returns are made following the Toyota parts return guidelines**
- #30 **See #29**
- #31 **all counter personnel can issue purchase orders for parts purchases related to repairs in our shop, on an open Repair order. All purchase orders are approved/authorized by the parts manager. All fixed asset purchases over \$500 must be approved by the General Manager**
- #32 **Yes, the service dept. does, and the used and new car managers. The GM oversees the parts manager.**
- #33 **internal pricing policies are established by corporate.**
- #34 **our current monthly reconciliation is showing the parts inventory value to be greater than the financial statement value.**
- #35 **reviewed by corporate**
- #36 **it is abnormal for the difference to be more than 2%**
- #37 **LIFO is not used**
- #38 **Yes, each employee has specific responsibilities in addition to their perspective counter assignments. There is a posted flow chart.**
- #39 **Training is handled by the PM. There are yearly certification requirements. If the requirements are not met, the dealership will not qualify for certain achievement programs and awards. Certification is mandatory for all parts counter associates but not part of pay plans.**

- #40 **all training records are online at the Toyota Certifications site. DMS training occurs constantly on R&R Ignite. If not completed, screen access can be removed.**
- #41 **PM has attended several formal Financial Management classes, and Parts College classes. Annual certification is also required through the Toyota Certification program.**
- #42 **our computer hardware/ equipment needs are complete**
- #43 **Daily orders are manually adjusted by more than 10%, as we eliminate unneeded collision related parts. Adjusted by PM and PM assistant**
- #44 **Negative. We are on daily orders. We can order until 6 pm and have the order the next morning.**
- #45 **0.2%**
- #46 **PM stores reports in his office, and accounting also stores the report. Reports are used to constantly maintain and manage parts inventory, purchases, cores...etc.**
- #47 **?**
- #48 **daily if necessary**
- #49 **Yes constantly**
- #50 **Yes**
- #51 **Yes**
- #52 **Yes...all parts counter personnel**
- #53 **PM and assistant review then. They appear on the daily suggested stock order**
- #54 **Yes**
- #55 **TO PHASE IN, A PART MUST:**
- 1. HAVE DEMAND IN 3 MONTHS OUT OF THE LAST 12 MONTHS
WITH TOTAL DEMAND OF 3 PIECES**
- OR-**
- 2. HAVE BEEN IN INVENTORY FOR 6 MONTHS
WITH AN AVERAGE DEMAND OF 0.50 PIECES PER MONTH**
- #56 **N/A we do not have vendor managed inventory**
- #57 **90% of all parts are added/stocked to inventory. The rest are in and out sales. Shop supplies are not stocked in parts**

- #58 **some are written, some are verbal. PM is responsible**
- #59 **Claims are filed by designated parts employee**
- #60 **Orders are received by receiving clerk. They are cross checked and reconciled. Discrepancies are reported to PM and claim made by PM**
- #61 **Perpetuals are performed regularly per audit, and physical is performed annually by an outside company**
- #62 **Monthly updates/tapes are uploaded by PAG corporate IT dept.**
- #63 **All are tracked or reviewed by PAG corporate and or internal audit.**
- #64 **Inventory value was adjusted \$2257.00 to the plus**
- #65 **Yes Less than .4% of total inventory**
- #66 **they are not separated from regular inventory. We do monthly returns**
- #67 **PAG Controller**
- #68 **YES**
- #69 **YES**
- #70 **we are currently running a 32 day supply**
- #71 **Gross 11.90 True 5.8**
- #72 **Yes**
- #73 **Manuals are on the online portal**
- #74 **Yes...of course The PM and GM have keys and 1 or 2 select employees**
- #75 **Yes 3 cash drawers, balanced by the user and periodically verified by PM**
- #76 **Yes...The overage is tuned in to accounting**
- #77 **Yes...PM GM and SM**
- #78 **Communicate**

