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PARTS DEPT ACTION PLAN

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Chrysler

Ford

AMERICAN TRUCK DI

A DIVISION OF

EALERS

NADA

First Time Fill Rate

Fresno Truck Center		Fi
DATE	# OF RO'S	RO's Filled 1st Time
6/29/2018	7	6
7/13/2018	5	5
Totals	12	11

irst time fill rate		
RO's Filled Same Day	RO's Not Filled Same Day	Did we track lost sale or emergency purchase the part
6	1	Purchase
5	0	
11	1	

Departmental Action Plan

Dealership Fresno Truck Center

Student Name Alan Schroeder

Academy Week Fixed Operations 1 - Parts

Class & Student Number 039-16

Current Situation

The parts department is required to "touch" purchase orders, packing slips/bill of ladings and invoices several times throughout the P2P process, resulting in the over-processing of goods receipts and invoice receipts and inefficiencies.
RimPro, a Freighliner vendor management tool, transmits purchase recommendations into Procede for stock replenishments that convert into Procede purchase orders and PDC shipping orders. The Procede purchase order is updated with the RimPro PA/PM number at the PO line level and the PDC ships the stock order with the RimPro order # reference instead of the Procede PO number. The parts department shipping & receiving team physically verifies the parts received to the packing slip and then forwards the documents to the parts department inventory coordinators. The parts department inventory coordinators search for the order's respective PA/PM number in the detail level of the purchase order, copy and paste the PA/PM order into purchase order's header level for future use (i.e. invoice match). There are times when the stock order contains up to 400 items on the Procede purchase order and Freightliner may be required to complete the order by shipping from multiple PDCs or the PDC may inadvertently split the order into multiple packing slips, which result in multiple invoices. The parts department inventory coordinators have developed a process where they proactively pull the archived copy of the packing slip from Paragon upon "release" in order to compare the inbound delivery to the PO. The inventory coordinator will also pre-receipt the PO based on packing slip archived in Paragon and will confirm the physically verified packing slip to Procede's PO prior to posting the goods receipt. Once the goods receipt has been posted, the inventory coordinator will retrieve the associated invoice from Paragon to perform a three-way match (PO, quantity & price) prior to forwarding the invoice/packing slip packet to accounting. Accounting will input the invoice receipts into Procede via debit/credit memo throughout the month and will reconcile the invoice receipts to Freighliner's montly statement at the beginning of each month; this reconciliation is performed at the invoice header level (two-way match) and any discrepancies identified are forwarded back to the parts department for their investigation and resolution.

Overall Objective:

Increase efficiencies in the back office of the parts department, create transparency of inbound parts for shipping/receiving personnel, increase inventory accuracies through real-time data capture and increase efficiencies in accounts payable allowing for accounting to negetiate terms with vendors.

Proposed Timeline

Initiate contact with 3rd party vendor July, 2018 and complete implementation by October, 2019

Action Plan

1. Identify a 3rd party vendor that has a solution that integrates with Procede DMS; 2. Form a team of subject mater experts to develop the technical design for the 3rd party solution; 3. Engage with OEM to determine system requirements for receiving electronically transmitted purchase orders, packing slips and invoices; 4. Create a 'sandbox' on the server and migrate data from Procede into the 3rd party solution; 5. Perform system integrated testing (SIT) and address bugs; 6. Perform user acceptance testing with SME's. 7. Go live and provide hypercare support.

Requirements

1. Meeting with Dealer:

Action Proposed: Implement a 3rd party tool that integrates with Procede DMS that automates the goods receipt, invoice reciept and accounts payable processes.

2. Meeting with stakeholder(s) (dealership personnel):

Describe what is in place to support desired goal:
I will be providing training and coaching to effected staff

Departmental Action Plan

Dealership Fresno Truck Center

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3. Accountability: Monitoring progress:
Who: Controller, Parts Manager, Inventory Coordinator & Accounts Payable
What: Manually processed inventory receipts and invoice receipts
By When: October, 2019
How: Goods receipt & invoice reciept exception reporting

4. Describe checkpoints that have been established to measure progress:
- Monthly

Date(s) for review: 10/1/2018, 1/1/2019, 4/1/2019, 7/1/2019 & 10/1/2019

5. Estimated cost for implementation: Cost to be determined; pending quote from software developer.

Projected Date of Completion: October, 2019

Sponsor Signature: _____

Evaluation of Results: Include measured results. (± Metrics)

Impact Areas:
Sales - Increased inventory accuracy resulting in lower lost sales; Gross - Less discounting due to reduced back ordering; Expenses - decreased cost of inventory control due to increased efficiencies; Net Profit - Increased sales, reduced discounting, reduction in obsolesence and increased inventory accounting efficiencies.