

1. How often is your dealerships source pricing levels reviewed for competitive maintenance and heavy repair? A) Price levels are reviewed monthly
2. Compare the pricing policies in the parts department and see how competitive your Dealership is within your area. A) We are competitive with all our local area. We are not the cheapest but we are not the most expensive either
3. Verify with the use of market surveys on selected parts prices in your area as to whether you are competitive with others. You don't have to be the lowest to sell more, but too little or too much profit can keep you from being competitive. A) We are extremely competitive with our competitions prices
4. Does the computer system you have follow one or more pricing guides for various types of customers? Review the pricing structure with the manager and determine areas of profit potential. Policies in wholesale, retail counter, service dept, employees, etc., need to be established. A) Yes. Getting more drivers to fulfill more wholesale orders, getting the parts faster to the customer and gaining customer satisfaction
5. Do you have in place policies and DMS controls (via exception or deviation reports) to prevent counter people from changing the pricing structure during daily transactions? A) Yes What about service advisors? A) Yes
6. Is there a process followed to prevent the costing of parts at other than the established factory (OE) cost within the dealership when parts are placed into the inventory? (done through the use of +/- inventory adjustment account(s)) A) Yes
7. Regardless of parts cost (due to various sourcing opportunities (jobber/wholesale distributor), are they all costed at the same factory price to maintain accurate inventory value? A) Yes
8. How are discount purchases tracked in the system to show additional profit based on the cost of the part from a particular source other than factory price? A) Through use of the Daily Operating Control (DOC)
9. Do you have an internet presence for your parts department? A) yes
10. What type of merchandising programs do you have in effect? A) The MARS Program through General Motors. What is the relative cost versus sales generated as a result of the programs? A) Cost of the program runs about \$1000. It generates roughly \$80K-\$100K in sales and gross profit of \$7000-\$11,000 per month.
11. Is an outside salesperson active in your parts department? A) yes Are the sales at a level that "pays" for the employee or could the accounts be maintained on a part-time basis by the manager? A) Yes. Sales levels more than pay for the outside salesperson.
12. Do you have factory merchandising dollars available, and if so, how much of those dollars have been spent year-to-date by the Dealership? A) Yes. 75% has been spent YTD. What must be done to qualify for more expense sharing in merchandising by the factory and the Dealership? A) We can increase our funds my increasing our purchase dollars of GM Parts.

13. With the growing use of mobile smartphones by customers do you have a mobile ready website? A) Yes
14. Do you periodically check your online internet coupons? How often are they checked? How often are they updated? A) Yes. They are checked and updated monthly.
15. Pay plan reviews should be made at least on a monthly basis. When has a comparison been made between departmental gross profit and the personnel expenses for the department? A) Comparisons are made monthly. Is the current sales level providing a sufficient profit for the pay levels established for the parts employees? A) Currently, sales and profit levels are providing sufficient profit for the department.
16. Does the parts department actually seek additional revenue or "live off" the sales of the service department only? If not why not? A) Yes. We are a Wholesale dealer so most of our sales come from Independent Service Customers outside the Dealership.
17. Is a program set up to sell accessories to the customer in the sales department as well as the parts area of the Dealership? If not, are you leaving potential sales and gross profit on the table? A) Yes
18. Do you review wholesale customers weekly to see if parts sales dollar per customer and returns justify the expense of conducting business with them? A) Yes
19. Do you study your wholesale market opportunity with the Dealership's area of influence? A) Yes. Who is the major player and can you unseat them? A) Classic Chevrolet. Can you make a difference against your competition? A) We continue to carve out a niche for us providing superior service as a foundation. Can you deliver 2-3 times a day? A) Yes. Within what mile radius? A) About 100 mile radius.
20. Who verifies the "wholesale" customer applications to make certain they are really true wholesale customers? Are your state tax id/wholesale certificates current (within the last 2 years?) A) The parts manager with the help of outside sales personnel verifies all wholesale customer applications. All tax certificates are current and up to date.
21. Discuss monthly expense control with the parts manager and identify specific areas under the manager's control. If the expenses are allocated and not charged on a controlled basis, consider basing pay programs on sales or gross rather than net profit as part of the plan.
22. Who determined credit approval for parts customers and what screening system is applied? Who follows the receivables list in a timely manner to make certain payment is made by the customer without exceeding the account limits? A) Ownership approves all credit requests. Accounting Department uses credit applications with references to inquire and investigate credit worthiness of all customer requests for credit.
23. Is the financial for the parts department given to the manager and discussed on a weekly/monthly basis? A) Yes.

24. What are the special parts ordering policies for SORs? Where is it written and posted? When was it reviewed and what level of management approved it?  
A) All non-stocking parts are considered Special Order Parts and must be paid for in full before order is placed. No refunds or exchanges on special ordered parts without being in original packaging and must be free of damage to packaging and in new condition. Portions of this along with other conditions are written on our parts invoices.
25. Do you require 100% pre-payment on these parts? A) In most cases Yes. Do you differentiate between Counter/retail/wholesale and service RO? A) Yes
26. What time is set to return these parts and then initiate a return? A) 60 Days. Is a return charge made on customer pay parts that are returned because the customer did not return for them within a time limit? A) Yes.
27. Who are the parties that are involved in the SOP process start to finish? A) Customer, Advisors, Counterpersons, Cashiers.
28. Are special order forms completed in a legible manner so that the customer information can be read? A) Yes
29. Where are special order parts for the Service Department located? Who notifies the customer when the parts are in, and who determines when to send parts back if no response is made by the customer? Is anyone designated to follow up on SOP's, the lack of return? A) Parts are kept in the Parts Department. Service Advisors and Parts Counterpersons notify customers of parts arrival. The Parts Manager determines when to return parts. Service Advisors and Parts Counterpersons follow up on parts not picked up.
30. See if special order parts are carried in a separate section of the parts inventory to maintain control. Or they inserted into the regular inventory? A) Inserted into regular inventory.
31. Who administers and controls the purchase order system? A) DMS system. What dollar amount of fixed asset purchase can be made without approval above parts management level? A) No limits set at this time. Who sets and monitors these \$\$ levels and total open po's and open po \$'s? A) Parts Manager monitors \$\$ levels and open po's.
32. Does anyone other than the parts manager have direct purchasing authority from outside vendors? Who oversees the parts manager? A) Yes. All counterpersons have purchase authority. Upper management oversees the parts manager.
33. Who established internal parts pricing policies? Are all internal purchases centralized and run through the parts dept for control purposes? A) Upper management established all internal pricing. A good majority for the internal purchases do run through the parts dept but not all.
34. Does the value of the parts inventory on the parts computer exceed, or is it less than, the financial statement dollar amount? A) Typically it exceeds the financial statement.
35. If the accounting inventory value is higher than the parts computer, look for the part inventory missing items (uncontrolled inventory).

- 36.If the accounting inventory value is less than that of the parts inventory value does this indicate an abnormal condition? (if not, why?) A) No. Lagging invoices for the factory contribute to this. i.e. Parts posted to inventory but have not been billed to us by the factory yet.
- 37.If LIFO is used, when inventory value is used to calculate days' supply, etc., the actual value should include the LIFO reserve. A) No LIFO used
- 38.Is there an employee responsibility to function chart as was discussed in class? Are there specific inventory transactions assigned to each of the employees in the parts dept? A) No. Parts manager has delegated responsibility to certain department employees.
- 39.Who controls the training programs for the parts employees? A) Parts Manager. When was it last reviewed? A) Reviewed quarterly. Is it part of a yearly review with the employee and is it part of the employees pay plan? No. Not part of pay plans.
40. Are records kept of the training for each person and when did someone last take online DMS refresher training? A) Training is continual throughout the year. We are always training and learning in all areas.
- 41.Has your parts manager ever taken departmental financial management class like the ATD Academy? A) Yes. Within this current year.
- 42.A computer system diagram with specific terminal equipment positions should be made. Determine if the equipment meets daily needs and if the equipment is in the right locations. I the volume of business at a level that requires more system hardware, or does it require less? A) Currently all needs are being met.
- 43.How much of the replenishment/daily order is manually adjusted? Does it exceed 10%? A) 10%-15%. Who makes stock replenishment changes, and what are the reasons for the majority of those adjustments? When was it changed last and by whom? A) Parts Manager makes the changes. As sales demand changes the system is slow to react so manual adjustments are necessary to keep pace. Those types of changes are made daily.
- 44.Is the trend of those changes in question #42 a positive or negative trend? A) Mostly positive
- 45.What is the percentage of stock order from the factory versus outside purchase (emergency purchases)? A) 5%-10%
- 46.Where are the computer generated management reports printed and stored are they used on a daily? How is the management reports utilized? A) They are printed and stored in the parts department. The reports are used daily to serve as a guide for the current month and future estimation of sales to goals.
- 47.Is the DMS Summary used to track inventory trends? A) Yes. When will you incorporate the DMS scorecard that you learned about in class? Are there areas on the DMS scorecard that you couldn't find and if so who at the DMS is helping you to find those answers?
- 48.How often is you parts inventory adjusted for errors in part value or part quantity? A) Daily

49. Have the 50 most active parts numbers been checked for parts bin count accuracy? A) Yes. Daily
50. Are the transactions each day reviewed by the parts manager to make certain any adjustments made (plus or minus) are accurate? A) Yes.
51. Have you given the lost sale quiz to the parts manager and counter people? A) Yes.
52. Are true lost sales being tracked in your DMS? A) Yes. Who can log a lost sale? A) All management and counterpersons.
53. Who reviews the lost sales? A) The Parts Manager. When are they reviewed? A) Daily.
54. Are emergency ordered part numbers reviewed to see if they qualify to be phased in? A) Yes. Are the test/non stock/watch feature of the computer system utilized to test which parts to stock? A) Yes.
55. What demand history does it take to place a part on the inventory stock order or in inventory? Time limit and quantity are generally managed by vendor managed inventory systems? A) Three months of sale in a running 12 month period.
56. What is your compliance % level for your inventory with your vendor managed inventory, RIMPRO? A) Currently at 98.93%.
57. Are all parts sold by the department placed in the parts inventory and the sold from the inventory? A) Yes. Do you stock any items that are not in your inventory (shop supplies, etc)? A) YES.
58. Are the procedures for shipping and receiving written or verbal? A) Verbal. Who's responsible for reviewing and updating these policies and procedures? A) The Parts Manager.
59. Who files damage claims on parts shipments received? A) The Parts Manager and the Warehouse Manager.
60. Who receives parts orders, and how are they received? A) Warehouse manager by use of a Bar code scanner. Is the original stock order transmitted to the factory cross-checked? A) Yes. What do you do about discrepancies? A) Stock orders are checked each day and any errors are corrected daily.
61. At minimum, is perpetual inventory verification done in conjunction with a physical inventory on a yearly basis? A) Yes.
62. Who applies and loads the monthly price updates? A) The Parts Manager.
63. Are parts cost adjustments (monthly price updates, bin count irregularities and emergency purchases at more or less OE cost) tracked by someone in the dealership or are a periodic inventory adjustment method utilized (like once a year)? A) Adjustments are made at the end of each month.
64. What adjustments were required after the last physical inventory to the dollar value, etc., of the inventory? A) Inventory appreciated in value at the last inventory.
65. Are all obsolete parts that are on the inventory physically in the store? A) Yes.
66. Are they separated into a special area to be controlled and tracked for sales history? A) No. Separate source? A) No. Change bin location by adding a J

- for easy identification by counterpersons? A) Stocking status in the DMS system helps to identify these parts.
67. Who verified the completion of the repair orders between the first and second month they are reported in the work in process status? A) The Parts Manager, Service Manager, and Fixed Operations Manager together manage open RO listings.
68. Do the Parts, Service, & Body Shop Managers along with office manager/controller together follow up on all work in process tickets and verify that they are closed in a timely manner? A) Yes.
69. Is a daily operating report of sales, gross profit, etc., being provided to the parts manager for review by him (DOC)? A) Yes.
70. What is the months' of supply of inventory? Does this match the students calculations found in their FS Parts Excel template? Are too many parts stocked in the inventory based on this calculation? A) 2.5 months' supply
71. What is the true turn of the inventory? Does that match the students calculations found in their FS Excel template? A) 2.5-3.0 turns.
72. Is the inventory area large enough for the current level of business? A) Yes.
73. Where are the dealerships policy and procedures manuals located and who handles the review with the manager and his employees? Who has verified that the manual is located in an area that allows for easy access? A) P&P manuals are online through the Dealer World Portal and are easy to access.
74. Is your parts department locked up each night? A) Yes. Who has keys? A) Management, Counterpersons, and Security personnel have keys.
75. Do your counter people have a cash drawer? A) No. Who balances the drawer? A) Cashiers balance all cash drawers.
76. Is there a policy in place for overages for the cash drawer/balancing? A) Yes.
77. Do you have security cameras in the parts department? A) Yes. Who has access to the taps/cd/backup? A) Upper management
78. What one thing can your organization do to help you do your job better? A) Be Humble enough so that everyone can learn from those around them.