





| <b>Rate %</b>  |
|----------------|
| <b>62.50%</b>  |
| <b>76.92%</b>  |
| <b>100.00%</b> |
| <b>66.67%</b>  |
| <b>90.00%</b>  |
| <b>100.00%</b> |
| <b>#DIV/0!</b> |
| <b>82.00%</b>  |



| 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 #                   |
| Core Dirty             |           |  | #DIV/0!        | PART #                   |
| 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        |                                      |      |         |
|           | <b>OBSO POSITION MATH DONE BELOW</b> |      |         |
| 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<br>Stocking Status |                  | Inventory | % of Inventory | Guide                    |
|------------------------|------------------|-----------|----------------|--------------------------|
| INVESTMENT             | Value            |           |                |                          |
| Normal or Active Stock | \$209,366        |           | 65.94%         | over 70%                 |
| Automatic Phase Out    | \$76,451         |           | 24.08%         | Less than 35%            |
| Dealer Phase Out       |                  |           | 0.00%          | Less than 1%             |
| Manual Order           |                  |           | 0.00%          | Less than 3%             |
| Non Stock Part \$'s    | \$31,701         |           | 9.98%          | Less than 5%             |
| Non Stock Part #'s*    | 449              | MEMO      |                | Greater than 70% of PN's |
| No Phase Out           | Not on ADP       |           |                | NA                       |
| Repape by Hold         | Not on ADP       |           |                | NA                       |
| Clean Core             |                  |           | 0.00%          | p/n pieces               |
| Dirty Core             |                  |           | 0.00%          |                          |
| <b>Total Inventory</b> | <b>\$317,519</b> |           | <b>100.00%</b> |                          |

**ADP**

| Activity               | Value \$         | % of Invent | %           | Notes & Guides                 |
|------------------------|------------------|-------------|-------------|--------------------------------|
| 0-3 Months             | 177,345          |             | 56%         | ACTIVE INVENTORY at 75%        |
| 4-6 Months             | 41,890           |             | 13%         | ACTIVE INVENTORY at 23%        |
| 7-12 Months            | 19,630           |             | 6%          | 75% will likely become Obso 2% |
| Over 12 Months         | 63,434           |             | 20%         | Technical Obsolescence 2% is g |
| New parts no sales     | 15,220           |             | 5%          | Minimal Amount                 |
| <b>Total Inventory</b> | <b>\$317,519</b> |             | <b>100%</b> |                                |

|                      |           |    |     |          |
|----------------------|-----------|----|-----|----------|
| <b>COLOR SCORING</b> |           |    |     |          |
| GOOD                 |           |    |     |          |
| WARNING              |           |    |     |          |
| DANGER               |           |    |     |          |
| GREAT                |           |    |     |          |
| Seldom used          |           |    |     |          |
| OK....BUT..          |           |    |     |          |
| OUCH !!!             |           |    |     |          |
|                      |           |    |     |          |
| OUCH !!!!!           |           |    |     |          |
|                      |           |    |     |          |
| ouch!!!              |           |    |     |          |
|                      |           |    |     |          |
|                      |           |    |     |          |
| <b>OBSO POSITION</b> |           |    |     |          |
| is guide             | .75 TIMES | \$ |     | 14722.14 |
| uide                 | PLUS      |    |     | 63,434   |
|                      | PLUS      |    |     | 15,220   |
|                      | EQUALS    |    | 29% | 93376.08 |

| 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                 |
| <b>INVENTORY AGING BY LAST SOLD</b> |  |  |              |          |               |   |                         |
|                                     |  |  |              |          |               |   | <b>INSTRUCTORS NOTE</b> |
|                                     |  |  | <b>VALUE</b> | <b>%</b> | <b>ACUM %</b> |   |                         |
| NEVER SOLD                          |  |  |              | #DIV/0!  | #DIV/0!       |   |                         |
| ONE YEAR AGO PLUS                   |  |  |              | #DIV/0!  | #DIV/0!       | THIS IS TECHNICAL OI  |                         |
| ELEVEN MONTHS AGO                   |  |  |              | #DIV/0!  | #DIV/0!       |   |                         |
| TEN MONTHS AGO                      |  |  |              | #DIV/0!  | #DIV/0!       | THIS IS POTENTIAL OI  |                         |
| NINE MONTHS AGO                     |  |  |              | #DIV/0!  | #DIV/0!       |   |                         |
| EIGHT MONTHS AGO                    |  |  |              | #DIV/0!  | #DIV/0!       | THESE PARTS WILL BE IN A "AP" STATUS!<br>OUT IS SET AT 0 IN 6 |                         |

|                    |  |  |         |         |                                     |
|--------------------|--|--|---------|---------|-------------------------------------|
| 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               |





| 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 !!!!!!!!



nd active  
ory

e obso      \$0.00

obso      \$0.00

OBSO      \$0

\$0.00

#DIV/0!

## Departmental Action Plan

Dealership **Somerville Hino**

Academy Week **Fixed Ops 1 - Parts**

Class & I

### Current Situation

Inventory Investment. Somerville Hino's balance sheet shows an inventory value at \$347,062.53. Management is using an incorrect value

### Overall Objective:

The overall objective is have the general ledger dollar value and the DMS dollar value

### Proposed Timeline

Apr-19

### Action Plan

Step 1: was to understand why the variances were occurring. Upon returning the parts needed DMS training All of adjustments the Parts Manager was making monetary value of the DMS inventory adjusted down the general ledger \$ value have \$99194 in WIP that has been taking out of DMS inventory and sitting on GL such that monetary adjustments hit General ledger. Step 3: Review other causes irregularities etc. to help determine an 'acceptable variance percentage' between

### Requirements

Meeting with Dealer:

1. Action Proposed: Implement formal process between Parts Department and Dealer all monetary adjustments on an invoice posted in accounting.

Meeting with stakeholder(s) (dealership personnel):

2. Describe what is in place to support desired goal:  
While the CDK Consultant started in the Parts Department they will be returning to the Parts Department. The consultant is assisting in setting up the process between Parts and Finance departments.

Accountability: Monitoring progress:

Who: Tyson Somerville and Shawn Taylor (CFO)

What: GL \$ Value vs. DMS \$ Value

3. By When: April 2019

How: Compare DMS Reports and Financial Statements

Describe checkpoints that have been established to measure progress:

Monthly Parts Departmental Meetings will review inventory value in GL and DMS

4. Date(s) for review: 2nd or 3rd week of each month (conincide with preset fixed

5. Estimated cost for implementation: Training & time. The cost of CDK consultant

Projected Date of Completion:

April 2018

Sponsor Signature: \_\_\_\_\_

Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI / . The objective ultimately allows for better inventory adjustments are reflected on the financial statements. It will allow our dealership a better idea of how often we are turning and what our month's supply is. For example, if you examine our financial inventory based on turn rate, however if you examine DMS inventory many would say we are losing inventory.

Student Name Tyson Somerville

Student Number ATD 4020

ue of \$529,379, however our DMS report  
ue to make decisions.

ar value as close to possible.

from week 2 at the academy it was blatant tha  
ng never actually hit accounting. So while the  
e did not. We also have to cognisant that we  
GL \$ value. Step 2: is to inplement a process  
es of variances price adjustments, bin  
en GL and DMS. Once we take this corrective

ccounting to obtain correct value on GL. Put

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

ing for a week at a time in different  
arts department and account

MS  
(ops meetings)

ant could be allocated partially to this action pla

fter inventory control. We will start to see expenses as  
lea of the correct value of our inventory and as a result  
l statement many would say we have too much parts  
g out on sales based on how quickly we are turning our