

# Parts Manager Questions

1. How often is your dealerships source pricing levels reviewed for competitive maintenance and heavy repair?

In the past 3 months not done at this location

Have not checked in the past 12 months

2. Compare the pricing policies in the parts department and see how competitive your dealership is within your area.

Pricing is competitive in area with related dealers

Check every 45 days among local dealers

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

Compared filters we are competitive in between range of pricing with 2 dealers

We are in the middle of 3 dealers within 20 miles

4. Does the computer system you have follow one or more of the pricing guides for various types of customers? Review the pricing structure with the manager and determine areas of profit potential. Policies in wholesale, retail customer service department, employees, etc., need to be established.

Yes system does have pricing guides, unknown how to access them at this time

Yes, our system has the pricing guide

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? What about service advisors?

Only 1 parts employee employed and he has ability to change pricing on item but not pricing Profiles, service advisors have no access to change any parts pricing or profiles

Yes, service advisors can not change prices.

- 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 accounts(s))**

All inventory posting is handled at remote location at another dealership within dealer Group. Parts are not posted at servicing dealership.

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?**

All posting and costing of parts done at remote location

Yes they are

- 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?**

At this location if cost is different than factory price, costing is changed at time part is billed to Reflect true gross profit

When it is billed, accounting makes adjustment

- 9. Do you have an internet presence for your parts department?**

Dealership website is the only known internet presence for Parts Department.

Our website only

- 10. What type of merchandising programs do you have in effect? What is the relative cost versus sales generated as a result of the programs?**

Unknown merchandising programs

We are not merchandising at present.

- 11. Is an outside salesperson active in your parts department? 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?**

No outside salesperson is employed at this time, the accounts can be maintained by the Manager on a part time basis

No one is in outside sales for parts currently. We are going to call on body shops in the spring of 2019

**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? What must be done to qualify for more expense sharing in merchandising by the factory and the dealership?**

Parts Manager unaware of any Factory Merchandising dollars available.

No, we do not get any merchandising dollars. The closest we get is coop money. I will have to meet with my factory rep to find out.

**13. With the growing use of mobile smartphones by customers do you have a mobile ready website?**

Dealership has mobile ready website

Yes, we have a mobile ready site

**14. Do you periodically check your online internet Parts coupons? How often are the checked? How often are they updated?**

Parts Department has zero parts coupons on website, none has been offered at this point. Parts Manager monitors web site at least twice a month.

We have no coupons, parts director monitors website

**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? Is the current sales level providing a sufficient profit for the pay levels established for the parts employees?**

Pay Plans recently issued in past 90 days, current sales level sufficient for pay levels established

Pay plans reviewed in the 4th quarter. Yes, they meet with performance of 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?**

Parts dept seeks additional revenue through commercial accounts and aftermarket suppliers other than sales of service dept.

They seek aftermarket. Also, any aftermarket sold in sales goes to parts at cost plus 40%.

**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 complete copy and list of accessories for new cars are placed inside all cars during PDI process, glass cases with various accessories are placed on showroom floor as well as displays at service drive.

Yes, after each sale, before going into F&I department, the salesman has package prices to up sell accessories to customers. The package includes floor mats, tint, wheel locks, etc.

**18. Do you review wholesale customers weekly to see if parts sales dollars per customer and returns justify the expense of conducting business with them? For example, delivery 30 miles out of town to a customer ordering \$300 a month of parts at Cost+20% may not justify the delivery service**

Have not reviewed wholesale customer accounts for delivery purposes, no delivery service.

We are very small. Our larger sister store does bulk of the deliveries.

**19. Do you study your wholesale market opportunity with the dealership’s area of influence? Who’s the major player and can you unseat them? Can you make a difference against your competition? Can you deliver 2-3 times a day? Within what mileage radius?**

We are the only Hyundai Dealer in the city, we do not have a delivery service out of existing Hyundai store, We can use sister store for delivery options, however delivers are routed possible 2 delivery times a day if ordered morning or early afternoon.

We are the only Hyundai dealer within 15-20 miles.

**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 two years?)**

All wholesale applications are sent to Accounting office at Chevrolet Store, processed by Corporate. Tax-ID's and Certificates current

Everything is processed at our corporate store

**21. Discuss monthly expense control with the parts manager and identify specific areas under manager's control. If 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.**

Monthly Expenses discussed with Service Director, before any major expenses are purchased. All expenses are billed at month end and are discussed once again at time of billing with Service Director. Cashiers are informed to talk with Parts Manager or Service Manager before any supplies are ordered for Dealership personnel sales or service and are approved by GM.

Yes, we have recently discussed expenses and buy for 13 stores to save on supplies and materials.

**22. Who determines 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 with exceeding the account limits?**

Credit approval process, screening, and receivables all handled by business office. In the event of past due or NSF issues, accounting contacts Parts Manager to contact customer before collections

Approval process goes threw Young Chevy Corporate. Usually office manager handles it.

**23. Is the financial statement for the parts department given to the manager and discussed on a weekly/monthly basis?**

No Financial Statement has been shared with parts Manager or reviewed weekly or monthly only combined numbers with Service Dept gross profit numbers. These figures are emailed from corporate. And discussed with GM at month end.

The only one that sees the financial statement is the General Manager

**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?**

SOR's are only performed by 2 employees at this location. Parts Manager and assistant. All special orders are monitored and reviewed by Parts Manager.

SOR's are done by the parts director.

**25. Do you require 100% pre-payment on these parts? Do you differentiate between Counter Retail/Wholesale and Service RO?**

All Special orders 100% pre payed or on RO. Copies of RO or Paid invoice attached to part upon arrival, this is the way we differentiate between retail, wholesale, or Service RO.

Yes, copy of invoice is kept with the SOP.

**26. What time is set to retain these parts and then initiate a return? Is a return charge made on the customer pay parts that are returned because the customer did not return for them within the time limit?**

45 days typical time for parts hold on RO's. 90 days is time hold for customer paid items and forfeit of money Paid if not picked up. 20% restock fee on all returned parts prior to 90 days.

All parts are held for 45 days for cost to return. After 90 days parts are returned at 20% restock fee.

**27. Who are the parties that are involved in the SOP process start to finish?**

Once approval has been determined to order parts either from Parts manager or assistant, Only these two have authority to order and are only two involved in ordering.

Only the technician, parts manager, and parts personnel can special order parts.

**28. Are special order forms completed in a legible manner so that the customer information can be read?**

A copy of all retail sales are made with customer contact legible, or copy of repair order is made to attach to each part when vehicle is not currently in shop.

A repair order is generated with the customer information and parts receipt attached when vehicle has left and customer is called.

**29. Where are the special order parts for the service department located? Who notifies the customer the part is in, and who determines when to send the parts back if no response is made by the customer? Is anyone designated to follow up on SOP's, the lack of return?**

Special Order parts are placed on special order shelves sorted by customer last name, advisors are to notify customers when parts arrive. Parts Manager decides when parts are sent back, and also makes contact with customers before parts are sent back.

There is a special order bin for these parts. Advisor is notified and parts manager notifies customer before parts are sent back.

**30. See if special order parts are carried in a separate section of the parts inventory to maintain control. Or they inserted in the regular inventory?**

Special Order parts are carried into regular Inventory Stocked in at remote location.

Special ordered parts are added to regular inventory.

**31. Who administers and controls the Purchase Order system (DMS/book)? What dollar amount of fixed assets purchase can be made without approval above parts management level? Who sets and monitors these \$\$ levels and total open PO's and open PO \$'s?**

All purchase orders are monitored by Parts Manger, any purchases over 300 dollars are approved by parts manager, all Purchase orders are reviewed at week end and are submitted for payment

All PO's are controlled by parts manager. Any PO over \$300 must be approved by a manager and reviewed by weekend and submitted for payment.

**32. Does anyone other than the parts manager have direct purchasing authority from outside vendors? Who oversees the Parts Manager? (Double signatures, perusing the Parts Dept. purchase invoices)**

Only Parts Manager and Assistant may order from outside Vendors, these are the only two employees in dept, the Service Director oversees Parts Manager, and Expenses are discussed with director at month end.

Parts manager oversees purchases from outside vendors. Service director oversees and discusses these purchases at month end.

**33. Who established internal parts pricing policies? Are all internal purchases centralized and run through the Parts Department for control purposes?**

GM has set new internal pricing policies and has gone over this with Parts Manager, and we have just started running all internal Purchases through Parts Dept in the past month for control and pricing purposes.

GM sets new internal pricing and Parts and Service guidelines to follow for control and pricing.

**34. Does the value of the parts inventory on the parts computer exceed, or is it less than, the financial statement dollar amount? (Monthly Reconciliation Exercise)**

Parts inventory separated by two locations, Parts Manager at Current location has no access to financial Statements.

Parts are controlled at 2 locations. Parts manager at current location has no access to financial statement.

**35. If the accounting inventory value is higher than the parts computer, look for the part inventory missing items (uncontrolled inventory). (Monthly Reconciliation Exercise)**

Current Financial Statement not avail to Parts Manager.

At this time, parts manager has no access to the stores financial statement.

**36. If the accounting inventory value is less than that of the parts inventory value does this indicate an abnormal condition? (If not, why?) (Monthly Reconciliation Exercise)**

Will need access to Financial Statements.

He will need access to the financial statement.

**37. If LIFO is used, when inventory value is used to calculate days' supply, etc., the actual value should include the LIFO reserve.**

Possible LIFO being used at remote location where bulk inventory kept.

LIFO is used at remote location.

**38. Is there an employee responsibility to function chart as was discussed in class?**

**Are there specific inventory transactions (Grading, Ordering, Receipting, Posting, Adjustments, Bin Count Inventory, Returns, Core/Dirt Cores) assigned to each of the employees in the parts department? (Functions vs Employee Exercise)**

Cycle Counts and basic Inventory control are performed by Manager and Assistant monthly. Stock orders are performed at both housing locations by Parts Managers, weekly stock orders performed by Manager, all posting done by one Parts Manager at remote location, all errors have to be reviewed by both Parts Managers due to multiple bin locations and same part numbers.

Cycle and inventory counts are done by parts manager and assistant. Performed at both locations.

**39. Who controls the training programs for the parts employees? When was it last reviewed? Is it part of a yearly review with the employee and is it part of the employee's pay plan?**

Training is assigned first by Hyundai, both Manager and Assistant are in the middle of Training due to recent placement in positions. Reviews are Made by Service Director. Training is not a part of current pay Plan.

Training is accessed by Hyundai. All training is monitored by service director and adjusted by service director. As of now, not related to pay plan.

**40. Are records kept of the training for each person and when did someone last take online DMS refresher training? Parts Catalog training? OE/Manufacturers specific training?**

Records are stored by Hyundai on completed and outstanding training, classes assigned by this method, Parts Manager has completed all Service, and Sales Training to Current Date, and has just started Parts training in the past 60 days along with assistant. Parts Manager Transferred to this department after 5 years in Service Dept. Assistant started 2 months ago.

Records on training is done by Hyundai and awards are based on training and handed out by Hyundai, Both parts personnel are actively in training.

**41. Has your Parts Manager ever taken departmental Financial Management class like the ATD Academy? When was the last time they attended any formal Parts Management training?**

Parts Manager has received no formal training from Hyundai, Has spent almost 20 years in aftermarket parts business with training from nearly all Factory reps and taught training classes

in aftermarket parts setting, owned and operated own parts store franchise.

Parts manager has no formal Hyundai training. Has been mostly with aftermarket experience. He is currently working on Hyundai training and working with factory Rep.

**42. A computer system diagram with specific terminal equipment positions should be made and a flowcharts of work routine should be made. Determine if the equipment meets daily needs and if the equipment is in the right locations. Is the volume of business at a level that require smore system hardware, or does it require less?**

Terminals have been placed in shop and parts dept no additional equip required or needed.

There are terminals in the shop for each technician at their stall.

**43. How much of the replenishment/daily order is manually adjusted? Does it exceed 10%? Who makes the stock replenishment changes, and what are the reasons for the majority of those adjustments? When was it changed last and by whom?**

Replenishment order is manually placed by Parts Manager each week for this location, large stock orders are placed by sister store and Parts Manager at this location.

Replacement orders are placed manually by parts manager and monitored by parts manager at sister store as well.

**44. Is the trend of those changes in questions #42 a positive or negative trend?**

Any adjustments to stock orders are made at Chevrolet Location by Parts Manager at this store

Any and all adjustments to the stock orders are made at Chevrolet store part manager.

**45. What is the percentage of stock order from the factory versus outside purchase (emergency purchases)?**

Percentage for outside purchase at this location 50% based to Hyundai parts ordered emergency basic inventory kept at this location for maintenance needs rest of hard parts kept at another location relying on shuttle trucks between locations.

Outside purchases are 50% based on Hyundai. Basic maintenance inventory we kept at this location. Hard parts are kept at Chevrolet and shuttled once needed.

**46. Where are the computer-generated management reports printed and stored are they used on a daily? (CDK MGR Report) How are the management reports utilized?**

Manager reports printed every Tuesday and emailed to Service Manager and sent to Corporate.

Parts manager prints reports every Tuesday and gives to service director to be sent to corporate.

**47. Is the DMS Summary used to track inventory trends? 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?**

DMS summary is not used at this location tracking Inventory.

Not being used to track inventory at this location.

**48. How often is your Parts Inventory adjusted for errors in part value or part quantity? (Moments in Time)**

Cycle counts performed every 90 days. Adjustments can only be made for positive negative negative adjustments can not be made until we leave facility and travel to another location to perform bin counts at this store as well. Inventory performed once a year. Positive adjustments are corrected at time of discovery or during these cycle counts.

Every 90 days our cycle counts positive/negative counts and adjustments are adjusted as discussed at the time. Yearly inventory is performed as well to ensure proper count.

**49. Have the fifty most active parts numbers been checked for parts bin count accuracy? (Moments in Time)**

Fifty most active numbers through this stockroom have been checked and corrected for accuracy these parts are constantly checked each month, small adjustments on oil and chemicals have been made at each count.

Bin count and fifty most are checked constantly for accuracy.

**50. Are the transactions for each day reviewed by the parts manager to make certain that any adjustments made (plus or minus) are accurate?**

Transactions for each day are not currently checked by Parts Manager at this location.

They are not checked by parts manager at this store.

**51. Have you given the Lost Sale Quiz to the parts Manger and Counter-people? Others in the dealership?**

Lost sale Quiz has not been received or viewed at this time.

Not at this time.

**52. Are true lost sales being tracked in your DMS? Who can log a Lost Sale?**

True lost sales are being recorded at this location and reviewed weekly, the Parts Manager and assistant are the only two employees in parts dept at this store and both have the ability to log lost sales.

Lost sales are recorded weekly by both parts personnel and both have ability to log lost sales.

**53. Who reviews the Lost Sales? When are they reviewed?**

Lost sales reviewed by Parts Manager at main Stocking Dealership.

Lost sales reviewed by Chevrolet parts manager.

**54. Are emergency ordered part numbers reviewed to see if they qualify to be phased in? Is the Test/Non stock/ Watch features of the computer system utilized to test which parts to stock (Phase In)?**

Emergency ordered parts are reviewed at other main stocking location and determined at this site for phase IN.

Emergency parts are reviewed at the chevrolet location.

**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?**

Demand history and decision to place parts into Inventory controlled at remote location at main stock room.

Both demand history and decision are controlled at Chevrolet store.

**56. What is your Compliance % level for your inventory with your Vendor Managed Inventory, RIMPRO?**

Unknown at this location handled through main hub store.

Unknown, handles at hub store.

**57. Are all parts sold by the department placed in the Parts inventory and then sold from the inventory? Do you stock any items that aren't in your inventory (Shop supplies, get ready, bulk fluids like washer solvent)?**

All parts sold are placed into inventory then sold, stock receipts have to be sent to remote location stocked in and then parts can be billed. Items are stocked that are not in inventory washer solvent and other chemicals.

All parts are placed into inventory stock receipts and sent to Chevrolet to be stocked in and billed. Parts not in inventory are washer solvent, brake clean and contain chemicals.

**58. Are the procedures for shipping and receiving written or all verbal? Who's responsible for reviewing and updating these policies and procedures?**

Shipping and receiving procedures were verbally taken by current Parts Manager and are currently being written and adjusted by new management.

Shipping and receiving process are verbally taken. Parts manager is currently adjusting this process.

**59. Who files damage claims on parts shipments received?**

Damage Claims are filed by previous Service Director and parts manager at main hub location, current Parts manager is learning process and has started to file these claims now and Parts Manager at main hub continues to file for damages as well.

Parts manager is being trained to perform this process.

**60. Who receives parts orders, and how are they received? Is the original stock order transmitted to the factory cross-checked? What do you do about discrepancies?**

Parts orders are placed for one line and account through two locations, Each location is responsible for verifying and finding discrepancies and communicate with each facility before any shortages are filled due to the arrival of orders splitting between these locations.

Parts orders are placed online and distributed to two locations. Each location is responsible for verifying and finding discrepancies. It's communicated between both parts manager and filed accordingly.

**61. At a minimum, is perpetual inventory verification done in conjunction with a physical inventory on a yearly basis?**

Yes all checks are done with Inventory every year.

All checks are performed yearly.

**62. Who applies and loads the monthly price updates?**

Price updates are entered by Parts Manager from Main Hub Store

Price updates are entered by parts manager at Chevrolet store hub.

**63. Are parts cost adjustments (monthly price updates, bin count irregularities and emergency purchases at more or less than OE cost) tracked by someone in the dealership or is a periodic inventory adjustment method utilized (like once a year)?**

Both monthly price updates and inventory adjustments at yearly inventory times are preformed.

Monthly price updates and inventory adjustments are performed at yearly inventory.

**64. What adjustments were required after the last physical inventory to the dollar value, etc., of the inventory?**

Current Manager was not present at inventory Last year.

Have a new part manager this year.

**65. Are all obsolete parts that are on the inventory physically in the store?**

Obsolete parts in inventory will be present in bin locations.

Obsolete parts are in the proper bins.

**66. Are they separated into a special area to be controlled and tracked for sales history? Separate source? Change bin location by adding a J for easy identification by counter persons?**

They are not separated at Hyundai location unknown if separated at main Hub location.

Not separated at Hyundai and not sure at Chevrolet.

**67. Who verifies the completion of the repair orders between the first and second month they are reported in the work-in-process status?**

Service Director verifies completion of repair orders.

Service director verifies completion of repair orders.

**68. Do the Parts, Service, and Body Shop Managers along with Office Manager/Controller together follow up on all Word in Process (WIP) tickets and verify that they are closed out in a timely manner?**

Parts, Service, Body Shop managers and Controllers do not meet together on WIP emails sent from corporate to Service Manager are done and results and figures discussed with Service Director and GM.

No, the service director works weekly with corporate on WIP and open RO's.

**69. Is a daily operating report of sales, gross profit, etc., being provided to the parts manager for review by him (DOC)?**

A daily operating report of sales and gross profit is not currently being provided to Parts Manager.

Not at this time. A new process is being put in place.

**70. What is the months' supply of the 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?**

Parts stocked at this location for will cover 3 weeks, majority of inventory kept off site at remote dealership.

Parts kept at this location will over 3 weeks supply. Majority of stock is at Chevrolet.

**71. What is the true turn of the inventory? Does that match the students calculations found in their FS Parts Excel template?**

Parts Excel Template not seen at this time.

Parts excel not being used at this time.

**72. Is the inventory area large enough for the current level of business? Answers to this question can be obtained when the student does the FTFR ( First Time Fill Rate) exercise.**

Inventory area plenty large enough for expansion, multiple stock rooms empty and very large parts warehouse at main hub store.

Parts has plenty of room for expansion.

**73. Where are the dealership's 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?**

Each employee is provided with policy and procedures manual and also kept in electronic form for email if necessary Parts Manager has electronic copy.

Each employee is given a policy and procedures manual at time of hire. An electronic form is also available if requested.

**74. Is your Parts Department locked up each night? Who has keys?**

Parts is locked EVERY night Parts Manager, Assistant, Service Director, and 1 advisor has keys.

Parts is locked every night. Parts manager, parts assistant, service director, GM, and 1 Advisor has keys to department.

**75. Do your Counter-people have a cash drawer? Who balances the drawer?**

No cash drawers only 1 cashier has cash drawer self balance is done and sent to corporate each day.

No cash is kept in parts. Cashier has cash drawer and self balanced everyday and sent to corporate for verification.

**76. Is there a policy in place for overages for the cash drawers/balancing?**

Any cash overages are sent into accounting with note attached from cashier.

Any cash overage/shortage is sent to accounting with documentation.

**77. Do you have security cameras in the Parts Department? Who has access to the tapes/CD/backup?**

Security Cameras are in place in Parts Dept, Service Director, GM, Sales Mgr, and Corporate have access to system.

Security cameras are in all departments and monitored by all department leads. Corporate also has access.

**78. What one thing can your organization do to help you do your job better?**

Training is key to understanding any position. Manager training is necessary to learn procedures in all areas of the dealership.

Training is key to success.