

GDK Stocking Status INVESTMENT		Inventory Value	% of Inventory	Guide	COLOR SCORING
Normal or Active Stock	\$325,200	72.85%	over 70%	GOOD	
Automatic Phase Out	\$30,748	6.89%	Less than 30%	WARNING	
Dealer Phase Out	\$231	0.05%	Less than 1%	DANGER	
Manual Order	\$0	0.00%	Less than 3%	GREAT	
Non Stock Part \$'s	\$73,107	16.38%	Less than 5%	Seldom used	
Non Stock Part #'s*	1,336		Greater than 70% of PN's	OK.....BUT...	
Clean Core	\$17,120	3.84%	# PIECES	OUCH !!!!!	
Dirty Core	\$0	0.00%	PART #		
Total Inventory	\$446,406	100.00%		ouch!!!	
Activity		Value \$	%	Notes & Guides	
0-3 Months	229,627	52%	ACTIVE INVENTORY at 75%		
4-6 Months	62,990	14%	ACTIVE INVENTORY at 23%		
7-12 Months	62,025	14%	75% will likely become Obso 2% is guide		.75 TIMES \$ 46518.75
Over 12 Months	52,065	12%	Technical Obsolescence 2% is guide		PLUS 52,065
New parts no sales	31,903	7%	Minimal Amount		PLUS 31,903
Total Inventory	438,610	100%			EQUALS 30% 130486.8
CRITICAL OBSERVATIONS:(How do you feel about these observations?) Color Coat					
OBSO POSITION (LINES 20-22 FROM ABOVE)					Pass or Fail ?
NEG-ON-HAND (MINUS-ON-HAND)					FAIL
CLEAN CORE					CHECK
DIRTY CORE (RDCI) OR DONE MANUALLY					PASS
LOST SALES CALCULATOR VS. ACTUAL					CHECK
AVERAGE STOCK ORDER (Obtain data from your OE)					FAIL
MONTHS SUPPLY (This calculation from your FS Template)					PASS
GROSS (TOTAL) TURNS (from your FS Template)					WATCH
TRUE (STOCK) TURNS (from your FS Template)					FAIL
FTFR (FIRST TIME FILL RATE)					FAIL

Verification Form Regarding the Departmental Action Plan

Fixed Operations 1 Week Post- Class Homework Assignment

Dear Academy sponsor,

One of the post-class homework assignments given to your manager at the conclusion of week two at the Academy is the Departmental Action Plan form. The student's assignment is to show you the format of the assignment, explaining to you the purpose of crafting a departmental action plan after week 2 of the Academy. This assignment will be completed four separate times, (classes 2-5) after the student has attended the fixed operations 1 parts week, the fixed operations 2 service week, the variable operations 1 class week and the variable operations 2 class week. The progress of the student's departmental action plans will be assessed by each of the Academy instructors in weeks 2 through 5 of the Academy. Please sign this form below which indicates that the student has reviewed the departmental action with you, and have your student bring the form with them, when they return for their fixed operations 2 parts class. We will collect these forms at that time from the students. The student will receive a pass/fail grade, based upon whether they submit this form signed by you. This is being done in order to verify that each student has shared the Departmental Action Plan with their sponsor.

Thank you for your cooperation.

Sponsor's Printed Name W R ALLEN Sponsor's Signature 
Date 3-5-19.

Very truly yours,

Departmental Action Plan

Dealership **CLASSIC CDJR MAZDA**

Student Name **WALTER ADAMS**

Academy Week **Fixed Ops 1**

Class & Student Number **N345-17**

Current Situation **IMPROVE OVERALL MORALE, KNOWLEDGE AND GIVE WRITTEN JOB DUTIES TO ALL PARTS EMPLOYEES**

Overall Objective: **TO INCREASE PRODUCTIVITY BY SHARING STRENGTHS AND WEAKNESSES OF THE DEPARTMENT. LET EACH EMPLOYEE KNOW WHAT'S EXPECTED AND HOW IMPORTANT EVERYONE IS TO THE SUCCESS OF THE DEPARTMENT**

Proposed Timeline **30 DAYS FOR WRITTEN JOB DUTIES AND WEEKLY REVIEWS OF HOW THE DEPARTMENT IS PROGRESSING**

Action Plan **HAVE EACH TEAM MEMBER REVIEW AND SIGN JOB DESCRIPTION, HOLD WEEKLY MEETINGS COVERING THINGS WE DO WELL AND THINGS THAT NEED IMPROVEMENT, HAVE A MONTHLY REVIEW SHOWING WHERE THE DEPARTMENT STANDS MOM AND YOY.**

Requirements
1. **IMPROVE OVERALL ATTITUDE AND MORALE**

2. **IMPROVE COUNTER SALES AND PHONE SKILLS THROUGH ONGOING TRAINING**

3. **HAVE QUARTERLY REVIEWS WITH ALL EMPLOYEES**

4. **INCREASE INTERNAL PARTS MARKUP TO ACHIEVE 38% PROFIT MARGIN**

5. **TRACK LOST SALES AS WRITTEN IN THE JOB DUTIES AND MAKE SURE EVERYONE FULLY UNDERSTANDS WHAT IS A LOST SALE**

Projected Date of Completion: **90 days**

Sponsor Signature: **RICHARD ALLEN**

30. Separate
31. Counterpeople can cut PO's in any amount, PO's are approved and signed by management
32. Through sublet accounts only, controller monitors most purchases
33. Upper management establishes internal pricing
34. Inventory is reconciled on a yearly basis, an overage is always recorded
35. N/A
36. No, an overage is expected
37. Inventory is factory controlled
38. Yes, each employee has specific primary responsibilities
39. Training is monitored by the factory and internally, it is not attached to any pay plans
40. Yes, these are closely watched
41. Yes, they attended NADA approximately 2 years ago
42. Hardware is sufficient for current needs
43. The factory determines stocking levels, only management has access to adjustments, these are usually <5%
44. Adjustments are almost always negative to due space requirements
45. Emergency purchases are between 12 and 15%
46. These run nightly in an automated job stack and are available each morning to department managers
47. N/A
48. Daily per touch counts
49. Daily bin counts are standard procedure, but they are not based on part movement
50. Only management has access to adjust inventory
51. Yes
52. Not as well as they should be
53. Management, monthly
54. Inventory is factory controlled
55. Factory controlled
56. 97.6%
57. Yes...no, these are all sold directly to the shop supply account
58. Verbal, management
59. Warehouse personnel with management oversight
60. Orders are received by the manager, the manager also handles all any discrepancies
61. Daily bin counts and touch counts are part of standard procedure
62. Parts Manager
63. Appreciation/depreciation is accounted for once a year at physical inventory
64. Accounting took a 12% appreciation
65. Yes
66. They are not separated from normal inventory and are treated as such
67. Service Dept.

PARTS MANAGER QUESTIONS

1. Quarterly
2. N/A
3. N/A
4. Yes
5. Service Advisors do not have access to parts pricing, Counterpeople can adjust pricing, an exception report is run each night and reviewed by the manager
6. No one has access to parts cost outside of management
7. Yes
8. There is a specific account set up for purchase discounts
9. Not at this time
10. We don't participate in merchandising programs, outside of wholesale promos that exist as 100% co-op, these generally include pens or keychains
11. Not at this time
12. Yes, we spend them quarterly, co-ops are directly based on total parts purchases
13. I believe so, parts is not involved in this
14. Seasonally
15. Pay plans are gross/sales based and are designed to be as close to standard guidelines as possible, yearly reviews are made
16. 70% of parts gross is through internal sales, dealership does not have capacity at this time to seek a large wholesale or internet presence
17. Not that I'm aware of
18. Wholesale deliveries are limited to a specific radius
19. Highly competitive market with large players, multiple deliveries exist, focus is on backyard/tight radius
20. Only the manager can input customers into the system
21. N/A
22. The controller in conjunction with the parts manager handles credit and receivables
23. Yes
24. Only Service Advisors can order parts for ROs, all CP parts are prepaid, every computer has a copy of SOP procedures, approved by management in Service and Parts
25. Yes, yes
26. 30 days before parts are returned to stock, there is no factory procedure for returning unused SOP parts, cycle returns only
27. Counterpeople and Advisors when applicable, management and warehouse staff review parts returned to stock
28. SOP's are managed by the DMS
29. They have their own shelving within the Parts Dept., BDC is responsible for Service SOP contact, Parts Dept handles counter sales, customers are to be contacted once a week until the 30 day mark is reached

68. The majority of WiP is handled by the Service Dept.
69. It is part of the nightly job stack
70. Months supply was 1.7 as of Jan. 2019
71. Inventory turns were 6.2 per factory reports in Jan 2019
72. The inventory space is large enough for current business levels, but unable to accommodate growth
73. They are located in the office with accounting
74. Yes, only Parts personnel and the GM have keys to the Parts Dept.
75. Yes, the cash drawer is balanced each night by the manager
76. All shortages/overages are reported to accounting and balanced
77. On the exterior, all management has access to the cameras
78. Our only major need is facility space