

Parts Manager Questions

- 1) This is reviewed quarterly based on the same brands (OEM vs OEM).
- 2) Compared to competitive Brands in our area we are at par or slightly lower.
- 3) We are competitive within our market and we are able to maintain a respectful gross on parts.
- 4) Retail Customer are at full list, with exceptions when needed.

Wholesale Customers are at list minus 15% on Mechanical and 20% on Body Parts.

Internal is at cost plus 20%.

Warranty varies from Brand to Brand with an average of cost plus 40%

- 5) Controls are in place only allowing the Parts Manager or Assist. Parts manager to override parts prices. Service Department has no access, In addition our DMS has override reports that are reviewed monthly.
- 6) Yes ! Again this can only be accessed by either the Parts Manager or Assist. Parts Manager.
- 7) Yes ! We do not escalate OEM cost on any of our Brands.
- 8) This can be reviewed in a Override report. All Wholesale accounts are setup with the appropriate discount codes. We also have a warning setup to inform us if the GP was to drop below 20%.
- 9) Yes! Via our website and we also have a Parts mailbox which enables all prats staff to responded in a timely manner.
- 10) We offer gift certificates as well as coupons with various discounts.
- 11) We have an outside Wholesale Company that represent us. At a fraction of what it would cost us to hire an employee.
- 12) Not offered through our brands.
- 13) Yes !
- 14) This is done on a quarterly Basis.
- 15) All staff are set up with a pay package which is based on a salary and commission. The commission is structured at different percentages based on revenue generated.
- 16) In addition to looking after our number one customer (Service Department) , we are very aggressive in the Wholesale market.
- 17) Yes! We have multiple display through out the dealership. We also utilize a program in our DMS that allows all staff to price out accessories to customer .
- 18) Our wholesale support team reviews all activity we the Parts manager bi-weekly and provides a complete report monthly.
- 19) In our market we are the leader. We have two trucks on the road with two deliveries a day , and overnight deliveries to client outside our area.
- 20) All new accounts are reviewed by the parts Manager and our wholesale support team.

- 21) Expense that are within the departments control are reviewed on a weekly basis. All expense will reflect staffs pay plans.
- 22) Credit approval will be reviewed by our Wholesale Support team, Parts Manager and the Accounting Department for final approval. Receivables are reviewed weekly between the Parts Manager and Accounting.
- 23) We received a financial report on a daily basis which enables us to track projected targets and expenses.
- 24) All Vin related items and Non- returnable parts are pre-paid. Our Purchase and return policy is clearly documented on all invoices. The policy is reviewed by Department managers, Fixed Operations Manager and CFO.
- 25) 100% payment is required, return policy will differ slightly between Service and Wholesale.
- 26) Returns to the manufacture are only available every quarter. Customer Service usually sets up the next appointment with the customer in advance to install SOR parts.
- 27) Parts Staff, Service Advisor and Customer Support.
- 28) All special order forms are done electronically, and can be tracked by all three departments.
- 29) We have preassigned bins for all SOR parts and the bin location is assigned when the parts are received.
- 30) They are kept in a separate section of the stock room.
- 31) All Purchase order are controlled between the Department Manager and Accounting . Purchase Orders are done electronically through our DMS. Our Controller Monitors the PO System on a weekly basis.
- 32) The Asst. Parts Manager has authority and the company Controller oversees the Parts Department . all purchases are entered and signed off on by both the Parts Manager and Accounting Department.
- 33) Internal pricing is decided by the Parts Manager, Fixed Operations Manager and General Manager. For proper controls all Internal prices are handled by the Parts Department.
- 34) This may vary at times due to pending invoices, Work-in-process . Reconciliation is done monthly.
- 35) We run detailed reports at the end of every month, taking in to account opens invoices, credits and debits, dirty cores, appreciation or depreciation and inventory posted but not submitted to accounting.
- 36) If the GL and Parts differs, one of the above reports in question 35 can reflect on this. This is why we run these multiple report on a monthly basis.
- 37) We use LIFO and this will include a reserve in the case of a manufacture supply problem though out the year.
- 38) With in the parts department additional responsibility is given to the each employee to control. These additional roles will rotate between the employees so that everyone is well versed with the parts operations.
- 39) All Training Programs with the manufactures are controlled by the Parts Manager and our AMM. Training requirements are part of the yearly reviews and can effect there bonus pay plan.
- 40) Detailed training reports are kept on all employees. Any or all updates to our DMS are reviewed with all staff .

- 41) The Parts Manager a Financial Class with JLR Canada two years ago. JLR conducts Parts Manager courses yearly on Inventory Controls and Financial Reports. These are mandatory courses.
- 42) Each staff member in the parts department has their own work station's with all of the necessary tools to do their jobs effectively.
- 43) Any manual adjustment that are made are less than 5%. We are currently operating under a new ordering system called Rim. Which is setup between our manufacturer and our DMS provider. All inventory parameters were restructured between and agreed upon with our provider. Rim generates all stock orders on our behalf. This helps to reduce VOR's and to have the right stock on hand.
- 44) This is positive trend. This will lower down time on vehicle repairs and also lower VOR surcharge
- 45) Stock to VOR ratio is at a 70 - 30 split.
- 46) All DMS management reports are processed in two copies , one set is filed in the Parts Managers office and the second set is filed with our controller. These report assist in tracking Negative OH, No Bin, No cost, Open Invoices, SOR's Received, Aged Inventory, Outstanding Orders, Stock Order Purchases and Appreciation/ Depreciation.
- 47) For tracking Inventory we utilize Summary and Trend Reports as well as electronic Stock orders through our DMS.
- 48) Error adjustments are done immediately once an error is found, we will first investigate how or why the error occurred before making any adjustments.
- 49) We conduct random perpetual bin counts on a monthly basis on all inventory.
- 50) All adjustments to be made are brought to the attention of the Parts Manager and Asst. Parts Manager and only these two will make the necessary adjustments.
- 51) No !
- 52) Lost Sales can be entered by all parts staff, and they are recorded when qualifying as a true lost sale.
- 53) Lost sales are reviewed by the Parts Manager through his MGR Reports.
- 54) Emergency purchase would qualify to be phased in when they meet the stocking criteria.
- 55) The demand must be 3 in 9 to become active stock.
- 56) We are at 97%.
- 57) The only items stocked in the parts department that are not in our inventory would be a small percentage of shop supplies which has it own designated area. These items are controlled and replenished by the parts department.
- 58) These procedures are written and are a shared responsibility of both counter staff and stockroom clerk. If any staff find that these process are not working they are encouraged to bring it to the attention of Management which then will be reviewed for possible improvements.

- 59) This will be the responsibility of either the Parts Manager or Asst. Parts Manager. And all claims are filed for tracking purposes.
- 60) Shipping notes and Invoices are pulled from the manufactures system every morning and given to the stockroom clerks to check off and put away. The shipping notes are the posted through are DMS, all outgoing orders are invoiced and put together for shipping. All inhouse SOR's are Tagged and binned, and SOR slips are given to our tower operator to assign.
- 61) Perpetual's are conducted on a monthly basis. A properly run stock room should be in a position to conduct a physical inventory at any time.
- 62) This is done by our DMS provider, once completed the Parts Manager runs a RAD report to validate it is correct. A copy of the RAD report is given to accounting to adjust their GL accordingly.
- 63) These cost adjustment are usually slightly more than OE cost. These adjustment are tracked on a monthly basis.
- 64) We had a positive adjustment from our last inventory. +
- 65) Yes! Even they are still accounted for in our inventory .
- 66) Obsolete Parts are mixed in with normal stock but are flagged with a different Source code in our DMS.
- 67) Primarily this is conduct by the Service Manager along with the Service Advisor assigned to the repair order.
- 68) Yes! This process is reviewed by the Parts Manager , Service Manager and Controller on a weekly basis.
- 69) We received a DOC every morning to review, in addition the Parts Manager shares this information with his parts team .
- 70) 3 months supply of inventory. This is due to a few brands that we carry do not have any return policies.
- 71) True turns are at 7.8 .
- 72) Yes!
- 73) These manuals are with each department manager and are also available in our shared drive network. These Policy are controlled and updated by our HR Manager.
- 74) The parts department is always locked, and can only be accessed with a master key or a fob by parts staff only. Note that the parts staff fobs will only allow them access to the parts department during normal operating hours.
- 75) Yes we do have a cash drawer which is always locked, each part counter staff have access to the cash drawer. A electronic cash report is run every morning and processed by either the Parts manager or Asst. Parts Manager and a cash balance report is recorded every day. We also have cameras in the parts department which can be reviewed live by the parts manager.
- 76) Yes! The are provided to accounting .
- 77) Yes! This can reviewed any manager.
- 78) My company has given me all the tools I require to do my job, and if any additional tools or training are required the support is there from ownership.

