

DEALER TRACK ARKONA STATUS		MONTH OF:			PROFILES	
		%	#	PIECES	VALUE	
ACTIVE PARTS: STOCKED		6.12%	232	265	\$30,291.15	See 9 D
ACTIVE PARTS: EXCESS STOCK		30.20%	901	6,687	149,392.44	LESS THAN
ACTIVE PARTS: UNDERSTOCKED		0.74%	65	270	3,646.42	LESS THAN
ACTIVE PARTS: TO PHASE OUT		0.00%	0	0	0.00	LESS THAN
TOTAL ACTIVE PARTS		37.06%	1,198	7,222	\$183,330.01	70%
SUPERCEDED W/ON HAND		3.38%	127	301	16,701.64	LOW DBL N
INACTIVE W/ON HAND		56.10%	2,511	4,827	277,503.20	LESS THAN
INACTIVE PART NUMBER # AND %						
TOTAL INV. TO SELL		96.54%	3,836	12,350	\$477,534.85	
CORES ON HAND		0.0347481	144	249	17,189.00	LOW PIECE
NEG-ON-HAND			1	1	49.5	LOW DBL N
TOTAL OF INVENTORY			3,981	12,598	\$494,674.35	
PARTS ON OPEN R. O'S			731	2143	48,568.32	ONE DAYS
VALUE OF TOTAL INVENTORY			4,712	14,741	\$543,242.67	
NOT ON FACTORY MASTER			4,311	573	13,690.18	MINIMAL
PARTS WITH OUT COST			213	5	0	MINIMAL
<b>INVENTORY AGING BY LAST SOLD</b>						
		<b>VALUE</b>	<b>%</b>	<b>ACUM %</b>		<b>INS</b>
NEVER SOLD		77,805	16.41%	16.41%		
ONE YEAR AGO PLUS		81,595	17.20%	33.61%		THIS
ELEVEN MONTHS AGO		6,725	1.42%	35.03%		
TEN MONTHS AGO		13,686	2.89%	37.91%		THIS
NINE MONTHS AGO		13,045	2.75%	40.66%		
EIGHT MONTHS AGO		11,107	2.34%	43.01%		THESE PARTS WILL BE IN A
SEVEN MONTHS AGO		14,692	3.10%	46.10%		
SIX MONTHS AGO		19,850	4.19%	50.29%		
FIVE MONTHS AGO		26,030	5.49%	55.78%		
FOUR MONTHS AGO		27,674	5.84%	61.61%		
THREE MONTHS AGO		23,313	4.92%	66.53%		THIS IS YOUR AC
TWO MONTHS AGO		31,020	6.54%	73.07%		
ONE MONTH AGO		51,407	10.84%	83.91%		
CURRENT MONTH		76,320	16.09%	100.00%		

TOTAL INVENTORY		474,270	100.00%		Guide is 1.5 Months Supply
CORES WITH ON HAND		17,703			

<b>CRITICAL OBSERVATIONS:(How do you feel about these observations?) Color Coat</b>
<b>OBSO POSITION (LINES 25 to 31 FROM ABOVE) (includes potential and technicle OBSO)</b>
<b>NEG-ON-HAND</b>
<b>CLEAN CORE (Provide the # of part #'s and # of pieces)</b>
<b>DIRTY CORE</b>
<b>LOST SALES CALCULATOR VS. ACTUAL</b>
<b>AVERAGE STOCK ORDER (this will help you calculate your true turnfound in the FS temp)</b>
<b>MONTHS SUPPLY (this calculation is found in the FS template)</b>
<b>GROSS (TOTAL) TURNS (from your FS Template)</b>
<b>TRUE (STOCK) TURNS (from your FS Template)</b>
<b>FTFR (FIRST TIME FILL RATE) (from your parts class homework assignment)</b>

<b>GUIDES</b>	<b>COLOR</b>
	<b>SCORING</b>
	<b>GOOD</b>
	<b>WARNING</b>
N 1 %	<b>DANGER</b>
N 1 %	<b>GREAT</b>
N 30%	<b>Seldom used</b>
	<b>OK....BUT..</b>
<b>NUMBERS</b>	<b>OUCH !!!</b>
N 30% these are Auto Phase Out Parts	
<b>E COUNTS</b>	
<b>NUMBERS</b>	
<b>AVG SALES</b>	
<b>STRUCTORS NOTES</b>	
<b>IS TECHNICAL OBSO</b>	
<b>IS POTENTIAL OBSO</b>	
"AP" STATUS IF YOUR PHASE OUT IS SET AT 0 IN 6	
<b>TIVE HEALTHY PARTS INVENTORY</b>	

**Clean**

Pass or Fail ?

Fail

Pass

Departmental Action Plan

Dealership

Student Name

Academy Week

Class & Student Number

Current Situation

Overall Objective:

Proposed Timeline

Action Plan

Requirements

Meeting with Dealer:  
1. Action Proposed: Review and regard SOP parts process. Implement daily bin checks. Review RIM ordering and returning. Stay current with returns. Team with Service department to turn around service vehicles quickly and efficiently.

Meeting with stakeholder(s) (dealership personnel):  
2. Describe what is in place to support desired goal:  
SOP parts process. Parts on R.O. report. Dealertrack metric tracking

Accountability: Monitoring progress:  
Who: Parts manager, Service manager, parts counter people, service advisors, Technicians.  
What: SOP parts process  
3. By When: 90 days  
How: Accountability and team work

Describe checkpoints that have been established to measure progress:  
Daily / Weekly / Bi-weekly / Monthly /  
4. Date(s) for review: Daily bin checks. Daily SOP customer calls.

5. Estimated cost for implementation: 0

Projected Date of Completion:

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

Evaluation of Results: Include measured results.

(± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

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

## First Time Fill Rate

DEALERSHIP NAME		First time fill rate			
DATE	# OF RO'S	RO's Filled 1st Time (Right Away)	RO's Filled the same day Same Day	RO's Not Filled Same Day	Actual 1st Time Fill Rate %
9/8/17	5	3	4	1	60.00%
9/9/17	15	7	7	8	46.67%
9/10/17	7	2	4	3	28.57%
9/11/17	3	3	3	0	100.00%
9/12/17	7	2	4	3	28.57%
9/13/17	1	1	1	1	100.00%
9/14/17	2	2	2	0	100.00%
9/15/17	7	3	4	3	42.86%
9/16/17	6	3	4	2	50.00%
9/17/17	2	2	2	0	100.00%
Totals	55	28	35	21	50.91%

## Parts Manager Questions

Have your parts manager answer the **78** questions found in this zip file. Confer and provide suggestive actions. **(50 points)** Provide your answers in a different color font.

1. How often is your dealerships source pricing levels reviewed for competitive maintenance and heavy repair? *N/A*
2. Compare the pricing policies in the parts department and see how competitive your Dealership is within your area.
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.
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 counter, service department, employees, etc., need to be established. *yes*
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? *Service Advisors no* *controls allow Counter Person changes*
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))  
*OE cost only one used*
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? *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?  
*DMS reports*
9. Do you have an internet presence for your parts department?  
*yes*
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?  
*Factory service lane based programs / Internet coupons*
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?  
*yes outside salesperson used*

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? *Yes*
13. With the growing use of mobile smartphones by customers do you have a mobile ready website? *No*
14. Do you periodically check your online internet Parts coupons? How often are they checked? How often are they updated? *No*
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? *No reviews to date*
16. Does the parts department actually seek additional revenue or "live off" the sales of the service department only? If not why not? *Additional sales sought through outside sales person*
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? *No*
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. *None to date*
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? *not competing at current level* *No study to date* *Major player Riske, cannot deliver 2-3 times daily*
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?) *Outside sales person verification*  
*Yes*
21. Discuss monthly expense control with the parts manager and identify specific areas under the 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.
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 without exceeding the account limits?  
*Front office, office, Parts manager*

23. Is the financial statement for the parts department given to the manager and discussed on a weekly/monthly basis? *Issued not discussed*
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? *Pre pay special order other than warranty no review to date*
25. Do you require 100% pre-payment on these parts? Do you differentiate between Counter Retail/Wholesale and Service RO? *Prepayment required no differentiation*
26. What time is set to retain these parts and then initiate a return? Is a return charge made on customer pay parts that are returned because the customer did not return for them within a time limit? *30 day and return restriction chg cost by case basis*
27. Who are the parties that are involved in the SOP process start to finish? *Counter persons and Manager*
28. Are special order forms completed in a legible manner so that the customer information can be read? *Yes Computer based*
29. Where are 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? *In parts dept customer notified through OBC Parts manager*
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? *Regular inventory*
31. Who administers and controls the Purchase Order system (DMS/book)? What dollar amount of fixed asset 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? *unknown*
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) *Yes counter people service personal no double signatures*
33. Who established internal parts pricing policies? Are all internal purchases centralized and run through the Parts Department for control purposes? *General Manager*
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) *?/NO*
35. If the accounting inventory value is higher than the parts computer, look for the parts inventory missing items (uncontrolled inventory). (Monthly Reconciliation Exercise) *N/A*

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) *NO, REPORTS RUN AT DIFFERENT*
37. If LIFO is used, when inventory value is used to calculate days' supply, etc., the actual value should include the LIFO reserve.
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, Cores/Dirty Cores) assigned to each of the employees in the parts department? (Functions vs Employee Exercise) *YES*
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? *General Motors training paths*
40. Are records kept of the training for each person and when did someone last take online DMS refresher training? Parts Catalog training? OE/Manufacturer specific training? *General Motors Center at learning records  
NO DMS refresher*
41. Has your Parts Manager ever taken a departmental Financial Management class like the ATD Academy? When was the last time they attended any formal Parts Management training? *Yes, 20+ years ago*
42. A computer system diagram with specific terminal equipment positions should be made and a flowchart 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 requires more system hardware, or does it require less? *Recently Built facility uses general motor's guidelines and requirements*
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? *Rim controlled other than special order*
44. Is the trend of those changes in question #42 a positive or negative trend? *positive*
45. What is the percentage of stock order from the factory versus outside purchase (emergency purchases)? *97% stock*
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? *Printed by management as needed used as tracking and comparison purposes*
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

*No*

scorecard that you couldn't find and if so who at the DMS is helping you to find those answers?

48. How often is your Parts Inventory adjusted for errors in part value or part quantity? (Moments in Time) *As discrepancy found*
49. Have the fifty most active parts numbers been checked for parts bin count accuracy? (Moments in Time) *Not to date at questionnaire*
50. Are the transactions for each day reviewed by the parts manager to make certain that any adjustments made (plus or minus) are accurate? *No*
51. Have you given the Lost Sale Quiz to the parts Manager and Counter-people? Others in the dealership? *Yes*
52. Are true lost sales being tracked in your DMS? Who can log a Lost Sale? *No*
53. Who reviews the Lost Sales? When are they reviewed? *Not reviewed at this time*
54. Are emergency ordered part numbers reviewed to see if they qualify to be phased in? Is the Test/Non Stock/Watch feature of the computer system utilized to test which parts to stock (Phase In)? *Yes monitored but minimal  
Emergency purchases*
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? *3 hrs 3 consecutive months  
Rim controlled inventory*
56. What is your Compliance % level for your inventory with your Vendor Managed Inventory, RIMPRO? *95.26 % September 2017*
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)? *Yes*
58. Are the procedures for shipping and receiving written or all verbal? Who's responsible for reviewing and updating these policies and procedures? *Shop supplies not in inventory  
Verbal*
59. Who files damage claims on parts shipments received? *Parts personnel*
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 personnel, received and posted in daily.*
61. At a minimum, is perpetual inventory verification done in conjunction with a physical inventory on a yearly basis? *Yes* *order is checked  
discrepancies handled on case by case basis*
62. Who applies and loads the monthly price updates? *DMS system*

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)? *Once a year*
64. What adjustments were required after the last physical inventory to the dollar value, etc., of the inventory? *copies attached*
65. Are all obsolete parts that are on the inventory physically in the store? *yes*
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? *Not separated*
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 Manager*
68. Do the Parts, Service and Body Shop Managers along with the Office Manager/Controller together follow up on all Work in Process (WIP) tickets and verify that they are closed out in a timely manner? *Oms reports available to all*
69. Is a daily operating report of sales, gross profit etc., being provided to the parts manager for review by him (DOC)? *Available on OMS*
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? *4.3 months supply*
71. What is the true turn of the inventory? Does that match the students calculations found in their FS Parts Excel template? *3.4 turns*
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. *No*
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? *On line*
74. Is your Parts Department locked up each night? Who has keys? *Yes keys to managers and department employees*
75. Do your Counter-people have a cash drawer? Who balances the drawer? *No*
76. Is there a policy in place for overages for the cash drawer/balancing? *does not apply*

77. Do you have security cameras in the Parts Department? Who has access to the tapes/CD/backup? *No*

78. What one thing can Hendrick as an organization do to help you do your job better? *Not familiar with Hendrick*