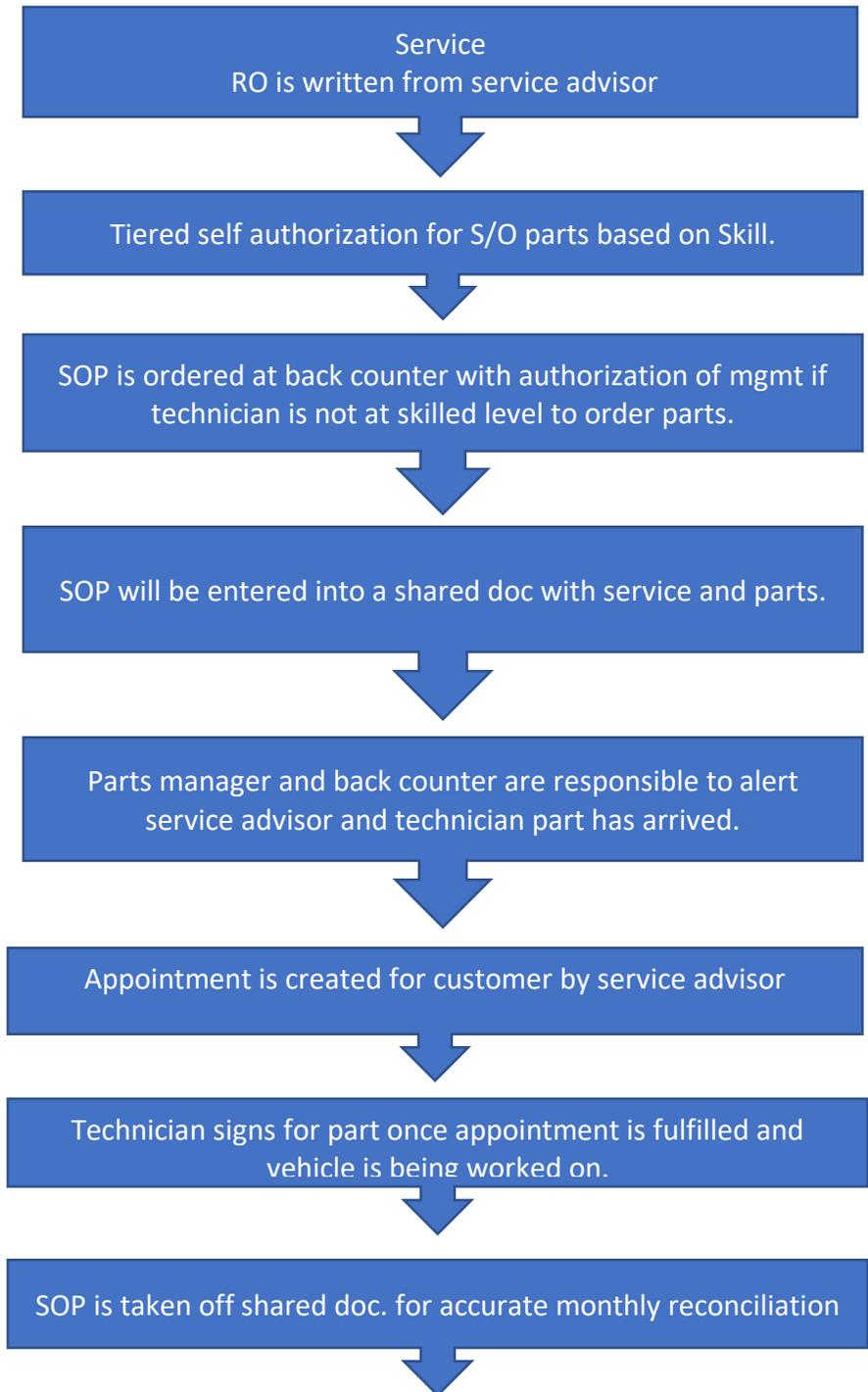
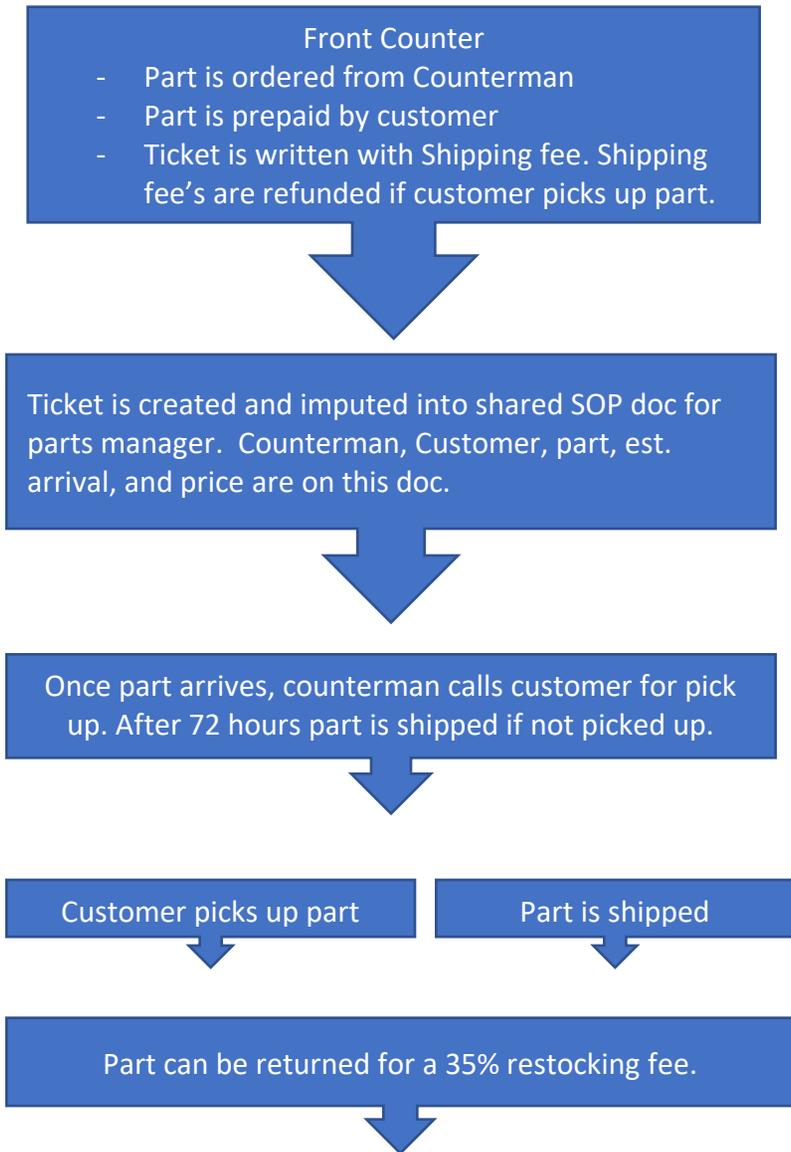


## **Overall Special Order Parts Process**

- All Special Order Parts (SOP) not covered by warranty must be prepaid, however this requirement may be waived on a case by case basis at manager discretion.
- SOPs may be returned but are subject to a 35% restocking fee.
- Shared doc for SOPs will be created and put into place for management, parts people, service advisors to help communicate order status, customer appointments and pick up times.
- Shared doc with an inventory of SOPs sorted by advisors, RO number and date so we can hit return deadlines for manufacturers and monitor technician errors.
- Tiered self-authorization for SOPs for technicians based on skill level.



## Detailed SOP Process

### Back Counter Procedures

1. A technician sends up a parts request for a vehicle.
2. A parts advisor contacts the service advisor with a price and availability (P/A).
3. The service advisor approves the SOP and the parts advisor bills the part on the work order or RO.
4. The service advisor also tells the parts advisor the status of the vehicle: "Car Down" (vehicle staying in shop) or "Car Gone: (vehicle leaving shop). Vehicle status is clearly noted on the pick ticket by the parts advisor.
5. The parts advisor prints 4 copies of the pick ticket for the part to be special ordered.
6. Two scenarios when the part arrives:
  - a. If the vehicle is Car Down, a copy of the pick ticket is given to each of the following:
    1. Service advisor who updates the customer re status of repair;
    2. Parts advisor who "fills" the order on the DMS;
    3. Shop foreperson who schedules and delegates the work; and
    4. Attached to the part which is then placed alphabetically in a bin location.
  - b. If the vehicle is Car Gone, a copy of the pick ticket is given to each of the following:
    1. Parts advisor who "rolls" the old RO into the new RO on the DMS;
    2. Service advisor;
    3. BDC; and
    4. Attached to the part which is then placed alphabetically in a bin location.
6. Returns for SOPs
  - b. If the part is a Car Down SOP, it is kept on the bins for three (3) days. If the part still remains, it is moved to the Car Gone bins.
  - c. If the part is a Car Gone SOP, it is kept on the bins for one (1) month. If the part still remains:
    1. The parts advisor notifies the BDC once per week for the month (i.e., notified 4 times), so the BDC could contact the customer;
    2. The SOP is pulled from the shelf and placed back into inventory if it is a stocking part. If it is a non-stocking part, it is slated for return to the OEM (see below).
  - c. Once a part is slated for "return," it remains in stock. Parts are returned at the first of the month when the OEM publishes the dealership's return quotas. SOPs may be returned for up to 90 days without utilizing the dealer's return allowance.
    1. Parts slated for "return" may sit in inventory for another 15 to 45 days before they are actually returned to the OEM.
    2. If the part to be returned is too expensive and the cost exceeds the eligibility, the part is left in stock until it can be re-sold or a large enough return balance is accrued in order to send the part back.

### **Front Counter Procedures**

1. Front counter procedures are similar to the back counter (above), with the exception that all parts on the front counter are prepaid.
2. Once a part is ordered is paid for, two pick tickets are printed: one for the parts advisor and one for the part.
3. Each parts advisor is responsible for communicating with his customers throughout the process. At the time the order is placed, each parts advisor is to confirm with the customer 2-3 times that the part being ordered is the correct part. If there is a delay with the order, the parts advisor is to update the customer. Once the part arrives, the parts advisor is responsible for immediately notifying the customer.
4. Upon arrival, the part is placed alphabetically on the Will Call shelf until it's picked up.
5. Since all parts are prepaid, there is no return procedure for the front counter.
6. If the part is not picked up after one (1) month, the part is adjusted back into inventory with the note "NCG:nnnnn" (No Credit Given: RO/Invoice #).

### **Wholesale Procedures**

1. When a wholesale order is taken, the part is either: a) prepaid; or b) placed on a charge account (limited to customers who have generated good will and trust).
2. One pick ticket is printed for the shipping and receiving associate.
3. Upon arrival, the team member receiving the part: a) fills the part on the invoice; b) prints the invoice; and c) dispatches the part for delivery or will call, depending on the instructions on the pick ticket.
4. Any returned parts from a wholesale order are subject to a 30% restocking fee.
5. Returned parts wait until the next cycle to be returned on a dealer-generated return or are returned through the dealer's return allowance.

### **Emergency Purchases**

1. The required part is procured from another dealer, a purchase order number is given to the vendor, and we send the parts driver to pick up the part.