

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

Daily checking prices vs local competitors.

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

We are not competitive because we sell everything at list across the counter

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.

There has been an action plan created to do this on an annual basis to judge future performance

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 we have three tiers of wholesale as a % over cost, Our biggest profit potential is in wholesale if we can find the volume.

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?

We do not, nobody walks if we are making a dollar we sell it. Service advisors cannot discount parts.

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))

We put everything in at cost and any discounts are put in a different account. That account is used as a slush fund to cover returns and control obsolescence. At the end of the year whatever is left is put to the bottom line

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?

Put in separate account and tracked on a monthly basis

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

Special pricing on fordparts.com, and a link from our website to ford parts website with custom pricing.

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?

We do not have a merchandising program

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

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?

If we do we don't know about it

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

We do not have a custom parts website that is mobile we do have custom pricing on ford parts website

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

Been the same for the pst 5 years, never changed

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?

Done every 6 months by GM counter people are hourly

16. Does the parts department actually seek additional revenue or “live off” the sales of the service department only? If not why not?

Our parts department lives off the sales of the service department. Don't know how to drive counter retail, and build wholesale

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?

Spiffs are paid to sales consultants to sell accessories not paid to parts personnel. We are relying on Ford spin to win program to drive accessory sales.

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.

We do not review weekly, we don't want to turn any business away

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?

No we do not study our market. Fusz is the big player in our market. We are not big enough to disrupt the market. We cannot deliver 2-3 times per day.

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?)

Controller verifies customer applications and yes tax id's are valid

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.

Our Parts Manager is paid on gross and can control returns and damages but does not have control over any other expenses

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?

Controller takes application Owner gives the green or red light

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

NO

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?

Case by case basis we do not have a written policy and it is never reviewed.

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

No all case by case basis

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?

60 days initiate return at 30 days we do not have a return charge.

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

All of the parts personnel can run SOP process from start to finish.

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

Yes

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?

Special order forms are keep in accordion folder. The actual parts have their own bin. Parts counter person notifies the customer when the part comes in Parts manager determines when to send parts back. No one designated to follow up.

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?

Own bin location but not separate inventory source

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?

Parts Manager, there is no dollar amount that needs approval. Parts manager monitors levels and open PO's

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 all parts personnel. GM oversees parts manager. We do not require doubles signatures

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

GM, yes all internal purchases are run through parts department.

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)

Yes

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

WE currently do reconciliation once a quarter we need to do once a month

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)

Yes it is typically something in inventory that is not here like a returned part but did not take out of stock ie; cores

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

We do not use LIFO

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)

Parts Manager over the two counter people. No specific functions are written.

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?

Parts Manager not part of yearly review and not part of 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/Manufacturer specific training?

Records are kept for DMS training. Autosoft sends trainer out annually. New hires have DMS training catalog training and oe training at time of hire. No process for continual training.

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?

NADA Parts class in 2013

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?

We do have sufficient computer systems we don't have enough space

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?

All of it is adjusted manually. Parts Manager makes adjustments. It is done because of sales history and done daily

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

Positive trend

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

Stock 80% Emergency 20%

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 and stored in desk they are looked at daily. Looked at cost vs gross as a % of profit

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?

Yes currently no

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

Weekly with bin checks

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

Yes

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

Yes

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?

Yes as good as we can track all parts personnel can track

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

Parts Manager monthly

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 and Yes they are looked at once a week

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 in 6

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

We do not have that

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. Our shop supplies do not show up in inventory

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

Verbal Parts Manager is responsible for reviewing

59. Who files damage claims on parts shipments received?

Parts Manager

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?

Whoever opens. Parts are dropped in detail bay, person opening receipts them in and they are cross checked with original stock order. Parts manager handles discrepancies.

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

Yes we do on an annual basis with an outside consultant.

62. Who applies and loads the monthly price updates?

Parts Manager

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)?

We use a periodic inventory adjustment method

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

We had \$2500 more inventory than accounting had on the books, because of access oil for the year. WE can oil billout full quarts when we might have used less.

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?

Yes they are in a separate area and yes we use separate source with obso parts.

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

Controller and GM

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?

Yes Contoller and GM work hand and hand to make this process smooth

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

Yes

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?

Months supply of inventory was 1.042 that matched what was done in class.
Based off guide we do not have to many parts in stock

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

True turn of inventory was 3.84. I could not find whee I did the true turn calculation so I cannot verify that's what I got in class.

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?

Every employee gets a policy and procedure manual and office personel reviews with each new employee

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

Yes. Owners GM Parts Personnel and GSM

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?

Yes

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

No

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

Add more space

