

1. **Follow a part exercise:** When a part arrives either via Stock Order or from an outside purchase for immediate installation you must follow the part and paper trail and **document all your findings.**
 - Stock order for shelf: Receipt in the part (do this yourself with stock clerk). What stocking status is the part, what was the parts demand history (demands in 12 months) which instituted the order? Ask where the Bill of Lading or shipping documentation goes from there noting each step. Go to the Controller and see how the order is charged on your Parts Statement.

Part number: 55550-0R030-C0 ; Glove Box

The stock order receipt list comes in every night from Toyota. Our parts team checks it before they leave to make sure there are no changes that need to be made. Through Reynolds and Reynolds we can group the RO's together that are on the stock order and click a "receipt all" button. The only ones we don't receipt on the stock order are those that are backordered. We must go in individually and verify that these parts have still not arrived. Stocking Status: Source 1-4. 1 is a popular, high turnover part, while 4 is slow moving. The part we picked was a 901 source which means it is non-stocking. It must be ordered at least 3 times a year for it to be viable for sourcing. This particular part has only been ordered twice this year. Our parts department prints out a shipping list from Toyota which allows us to verify which parts have been shipped and locate them accordingly. We have a large rack next to our back counter which holds parts for technicians. The shelves are labeled by the last digit of the RO number, and we place the part in the correct spot along with a copy of the RO. This part will be billed on the Parts Statement under "Parts Inventory 2410" which is our main parts account. Small trinkets and other things sold at front counter go under "Toyota Accessories 2413" and anything sold from our aftermarket offroad accessories store is categorized underneath "other accessories"

- Follow a part that was purchased on the outside with the intention of installing it on a customer's vehicle. Receipt the part in, follow the part to the back parts counter; then follow the part to the technician noting each step a computer and screen number an entry was made. After the vehicle has been repaired - follow the repair order until it ends up with the cashier.

Document every step along the way noting what happens at each step.

With help from the parts manager, we found the part number needed, we made sure NAPA carries the part, then wrote our PO. We input the department number, the date, the employee number who is writing it, the tech who requested it, the company we are purchasing it from, the part number, the repair order (740005), the inventory account it goes to (2410 main inventory) and then we input our cost versus the cost to the customer. We then went back to NAPA's website and inserted the PO number and pressed send. It arrived at the dealership along with the invoice only a few hours later. At this point we searched the PO number in Reynolds, checked the received box to inform NAPA and our employees that it had arrived and obtained the RO number where we billed the parts. After all this we notified Accounts Payables/Receivables to pay the invoice and we walked the part out to the tech (because it is aftermarket). Once the vehicle is repaired, it is parked in one of our numbered spots, the technician walks the paperwork to the corresponding advisor and writes the parking spot number at the top of the RO. The Service Advisor invoices the paperwork, prints out the multi-point inspection, checks out the customer, walks them to their vehicle and drops the RO with a copy of the invoice and any other pertinent information into a box on the cashier's desk. The Cashier then scans the paperwork, links it to an RO and shreds the physical copies.

2. **Perpetual Inventory Bin Counts:** Have the Parts Manager run an inventory report for one or two sets of bins or shelves in a row of shelving. Include bins or shelves from the floor to the top shelf. Choose shelves that have several small parts on them.

Use the report provided by the Parts Manager to inventory everything on the shelf or bin annotating the quantity on hand. The on-hand quantity is either accurate, over or under listed quantity on the DMS report. (Note DMS report number)

Dynamic Reporting > Report > Bin count (Custom Report so it does not have numeric value)

We checked Value 111 which had several gaskets and washers. There were no differences in inventory quantity.

Are there differences? If no, congratulations!

3. **Special Order Parts Exercise:** Click to download the "20 SOP's LOG IN SHEET MASTER" below. Locate Special Order Parts bin if there is one. Identify the OLDEST Special Order Parts (SOP's) in your Parts Department. **DO NOT HAVE YOUR PARTS MANAGER RUN A REPORT!** On the attached Excel Template please notate the following for the **20 oldest** Special Order Parts.

- R.O. number – Put a C for Customer Pay or W for Warranty in front of the R.O. number
- Customer Pay parts: Was the full price of the part collected prior to ordering: Yes/No
- For all 20 parts – List date ordered in DMS
- List date part received (arrived) into parts inventory
- Date(s) Service Advisor or Front Counter person were notified (form of communication: Verbal/Written – V/W)
- Dates annotated (notes or remarks section in DMS) or manually notated when customer contact was attempted – must verify
- Total days part has been on the shelf
- Cost of the part from your OE
- What are you going to do with the part if you cannot get the customer in to install it?

Ex. Return, put on shelf for stock R/S

Bring your written dealership process for Special Order Parts to class

We do not have a special-order parts shelf. We contact the customer the day we receive the part. If the part is not paid in full, we hold the part for 30 days then send it back to Toyota. If the part is paid in full, we wait 90 days before we return it. We contact the customer via phone, text and email multiple times throughout this process.

