Jose Questions

1. What is the process when a customer first comes in to request a part. Particularly the difference between a customer who is listed in the system, or one who is not. Is there a different screen/form to fill out for a customer who does not want to give information?

Answer:

-Customers can come in without a record, and request a part, the clerk(inventory specialist?) can choose to go right to an invoice from the system and just sell it to the customer as is.

-If the customer has a record, then the clerk can search for their record, then print create a invoice from that

-IMPORTANT: When the invoice is created and finalized, it UPDATES the inventory.

1. When inventory is low for commonly stocked items, what is your process for reorder? Does the system have a notification for low stock, or is it checked periodically?

Likely reorders are just ordered periodically, but is there ever cases where too many or too few are ordered due to not checking how many were currently in stock? Is there any issues that can occur by being too low on common parts?

Answer:

When orders are made in the evening, common items that are needed to be reordered are flagged and get put on that order list. They can also choose to edit this and put 0 if they do not wish to have it added to the order list.

1. If a customer’s special order comes in and is taken aside from new inventory coming from the warehouse, what is the process after that to update the system with the correct inventory?
   1. Ex: New shipment arrives, all items ordered were received. Purchase order in the system shows received 3 Shipped Items matching 3 Ordered Items, the order is marked “Received” and it updates the inventory. Then the customer’s special order is taken aside to be given to them, essentially making the onhand inventory show 1 more than it technically has.

Answer:

The customers part is put aside, and the clerk then updates the inventory. Ex: if 3 spark plugs were ordered, and 2 of them were for inventory and 1 for a customer order. The 1 spark plug for the customer order would be put aside, the other two placed into a shelf for inventory. The clerk then updates the system and puts received for 3 parts ordered, 3 parts received. They keep the current inventory showing 3 instead of 2(even though 1 item is sitting for a customer), in case the customer does not come to get it.

Followup question to this in the future…2 spark plugs left, shows 3 because customer order. Man comes in because he was told they have 3 spark plugs, clerk goes to get spark plug and there’s only 2, even though the system shows 3.

1. With legitimate returns, the customer pays a 20% handling charge and receives a credit. Can you explain this process?

Is placed back into inventory? Is it sold at a discount? How is the credit kept track of?

Answer: The 20% fee is rarely actually charged, it is only for extreme cases where they have that down on paper to back them up. He said most returns are simply an exchange of cash back for the part. When asking about credit for the customer, he didn’t seem to have an answer for that whatsoever. Joe himelf did not even know this was in the case study, it seems at this time this is not a big concern. (aslam may have taken this differently)

1. All past due accounts are subject to a 2 ½ % per Month(30% annum), is the inventory system in any way part of this process? (Probably a good question for Monica or Chris)

Answer: Similar to the question before, he said this would not be a concern for him. He said this would be a good question to ask Monica or Chris.

1. What happens if the contents of the purchase orders do not match the packing slip?

Answer: If the contents do not match the slip, he said essentially it becomes a crime scene. Its on lockdown, and he calls the warehouse. He said this does not happen often, but it something he will resolve. It does not seem like it should be too much of a concern for us as far as the system goes at this time (Aslam may have taken this differently)

1. What is the process for work orders for employees, is anything processed differently?

Answer: INCREDIBLY IMPORTANT READ

Here is the sequence of events.(see below for FULL sequence including the whole work order process)

1. Service technician goes to inventory, gets part from the inventory clerk
2. Inventory clerk gives him the part, DOES NOT UPDATE THE INVENTORY
3. Service technician uses that part eventually, and returns the work order he was issued to the service writer
4. The service writer takes the work order and turns it into an invoice. When the invoice is finalized, the invoice in the Service system THEN updates the Inventory system to show it has 1 less part.
5. Joe said this causes issues because if the service technician takes the part at 8am, and doesn’t finish the job until 5pm, until 5pm there is 1 less part in the system because it was not updated yet.
6. Item is missing or broken in orders (on arrival and onsite), what is the process?

If item is missing, it is the same if the contents do not match the slip, it is handled, does not seem like there is a common practice. And it may be a good question to ask one of the accountants(for broken items etc). He said this falls under “shrinkage”, which is chocked up to broken, stolen, bad parts essentially.

1. How are discounts determined? Is there a certain % stored in the system for certain customers?

Answer: Discounts are a selection/option in every customer record. They can be given a certain discount. It is shown on their system when creating invoices etc, but is not shown on the invoice.

1. The service technicians can quote based off of the AllData system for some jobs. If a job is listed as taking as 3.5 hours, and the service technician finishes in 2, is this currently tracked? What do they generally do with downtime in between jobs?

Answer: Mistake here on my part, it is the service writers, not service technicians etc. But if they quote a set amount for work, it is ALWAYS that amount. If the work takes less time, or more time than the quote, that’s what it always is. He said this is good for customer relations. He said techs do not just sit around, generally if they are done, the service writer gives them more work to do. He said their hours for how long are not necessarily tracked on paper, it is more just through communication between the service writer and technician. He said at this time, he is not that interested in these types of schedules. (But is accounting?)

Through explorative conversation we found out how the work order system works. I repeated it back to him (the whole process) and asked him if it was correct, he said yes.

1. Customer approaches service writer
2. Service writer, similar to the inventory system, checks to see if customer has a record
3. If not, generates one etc(discounts and accounts still apply here if they do)
4. Service writer takes what the customer said (it’s making ting ting noises) and writes up a work order, and gets their signature on the work order. Tells them they will be called etc when work is done
5. Service writer gives the work order to a service technician
6. Service technician generally would do a diagnostic etc, or checkout the car. Sees what parts he needs
7. Service technician goes to inventory if needed, retrieves part. Inventory clerk does NOT update inventory in the system
8. The technician fixes the car with the part used etc
9. When finished he returns with the work order(which joe said could have oil on it etc)
10. Service writer takes the work order, and then fills out the rest of the information with what was wrong with it, and what was replaced etc with comments. The work order BECOMES/TURNS INTO the invoice. When the invoice is FINALIZED, it updates the Inventory systems inventory
11. The customer is contacted or returns, gets the invoice and pays

Once again, this can cause issues because inventory is not tracked quite properly during the time the part is taken and the invoice is finalized.

NOTE: Invoices only update the inventory in either system ONLY after it has been finalized. When they are generating an invoice, they have an option to cancel on that screen.