

## Parts Manager Conversation

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to coach your Parts Manager on how they can be implemented. Be sure to respect their expertise. **Provide your answers in a different color font.**

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)?

Hyundai Construction parts training

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

- Yes, we do and it's to provide knowledge and customer service excellence to obtain long term relationship with customers and employees.

3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? What is your current Repair Order FTFR?

No, we have not.

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

15%

5. What policies, controls, and security are in place on your DMS (via Privileges and/or the Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions?

We do not have any currently.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

Parts dept is the only one who can do this.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

GM set pricing for the internal parts pricing.

8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? If not, when was the last time you petitioned the OE for retail reimbursement?

We are currently using Dynatron to complete this.

9. Do the Parts, Service and Body Shop Managers work with the Office Manager/Controller monthly to follow up on all Work in Process (WIP) documents. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like?

Yes, we do monthly emails concerning open Ros and Parts tickets.

10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)?

Yes, we review Financial Statement monthly and I get a daily Doc.

11. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved?

Yes, we have everything at a Price Level 6 and we review this monthly.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Very basic and we do monthly parts specials.

13. Do you have a Parts online eStore? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions?

We have an online accessory webstore thru Ford. But not parts.

14. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed?

NONE, we are currently working on this.

15. Do you have a process to offer accessories to 100% of your New and Used customers? If so, what does it look like? If not, why not?

Yes, Salesman uses our showroom app when they sell a vehicle. Sales managers are supposing to verify this.

16. What would help you sell more accessories?

I think if more people knew what we had to offer we could sell more.

17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? How often are they reviewed?

We are working on identifying all wholesale customers and tracking sales and returns monthly.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Yes, we track this Daily

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

We just started this after Gm did your class.... We will utilize a Excel sheet between Controller and I

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

We are not consistent with this.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Right Now, we have an issue with getting appts in the shop quicker.

22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is the current dollar value of your obsolescence?

We have currently 79K in obsolescence and its main causes are from wrong parts ordered, canceled appts and not having an inventory done in so long.

23. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)?

3/12 phase in and out. And we do not accept everything RIM suggest.

24. On a scale of 1-10 (10 = expert level) what is your level of understanding of the information that is on your DMS's monthly summary?

6- I am learning this

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Have a preorder SOP rule. We are getting hung with SOP we are not completing.