

## 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)? **OVER 40 YEARS OF PARTS MANAGER EXPERIENCE IN THE POWERSPORTS BUSINESS, INCLUDING STINTS OF 17 YEARS AT ONE DEALERSHIP AND 19 AT ANOTHER.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **TO TREAT EVERY PART NEEDED AS IF IT WAS A PART WE NEEDED OURSELVES.**
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. USE DMS**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **RO 56.47% WARRANTY 10.53% INTERNAL RO 8.07% COUNTER 22.74% INTERNAL 2.19%**
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? **I CONTANTLY MONITOR THE "COUNTER TICKET SALES" REPORT IN OUR DMS. VIEW IT AS A DAILY REPORT AND MONITOR FOR LOW GP%. THE REPORT SHOWS EVERY PART SOLD, SO I CAN SEE THE PART, WHO SOLD IT, WHO IT WAS SOLD TO, AND THE GP ON EVERY PART SOLD THAT DAY.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **ALL PARTS ASSOCIATES CAN OVERRIDE PRICING. THIS IS A NO WIN, BUT MUST HAVE CONTROL DUE TO CONSTANT PRICE CHANGES DICTATED BY WARRANTY COMPANIES.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **COST + 40% ON PARTS AND COST + 20% ON ACCESSORIES, PER GENERAL SALES MANGER.**
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 AT COST + 52.22% ON WARRANTY REIMBURSEMENT, NEGOTIATED ABOUT 18 MONTHS AGO.**
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? ALL PARTS INVOICES ARE TURNED IN ON THE DAY WE GET THEM. SHOULD SOME ITEMS STILL BE IN TRANSIT, I MAKE A COPY OF THAT INVOICE TO FOLLOW UP FOR CREDIT SHOULD IT NEVER ARRIVE. ALL PARTS TICKETS ARE CLOSED BEFORE MONTH END, EXCEPT ITEMS ON OPEN ROS

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)? NO
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? AS STATED IN #5, EVERYDAY. I AM CURRENTLY LOOKING INTO RAISING PRICES ON SOME WHOLESALE CUSTOMERS THAT ARE NOT FREQUENT BUYERS, AND OTHER ALTERNATIVES TO RAISE GP%.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? I MONITOR THE ACTIONS OF OUR ONLINE PARTS/ACCESSORY SLAES THAT IS RUN BY GM, BUT I DO NOT HAVE ANY ACCESS TO UPDATE THE DEALERSHIP WEBSITE.
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? I GET THE EMAILS AND CHECK THE GM ESTORE SITE NUMEROUS TIMES PER DAY TO MAKE SURE NO ORDER COMES IN THAT AN EMAIL NOTIFICATION MAY HAVE GOTTEN LOST
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? EVERY PARTS ASSOCIATE IS REGISTERED WITH GM'S CENETER OF LEARNING, AND MUST TAKE AND PASS ALL LEARNING MODULES ASSIGNED TO THEIR POSITION WITHIN THE DEPARTMENT. THE COURCES ARE UPDATED QUARTERLY.
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? UNFORTUNATELY, NO. WE SEE VERY FEW SALES CUSTOMERS.
16. What would help you sell more accessories? BEING ABLE TO GET MODEL SPECIFIC CATALOG HANDOUTS FOR EVERY VEHICLE SOLD, AND GIVE ONE TO EVERY CUSTOMER. I HAVE SEEN IT WORK IN MY PAST EMPLOYERS.
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? SEE #11. WORKING ON THAT PROCESS NOW. IT HAS NOT BEEN DONE SINCE I CAME IN, SO I DON'T KNOW THE LAST TIME IT WAS REVIEWED. I WOULD LIKE TO DO IT AT LEAST ONCE PER YEAR.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **NO. SEE #10**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **WE DO PERPETUAL INVENTORY COUNTS THROUGHOUT THE YEAR, PLUS AN ANNUAL PHYSICAL INVENTORY. THIS RESULTS IN COUNTING THE INVENTORY ABOUT 4 TIMES PER YEAR. IT IS CORRECTED EVERY TIME IT IS COUNTED AND VARIANCES ARE NOTED FOR ACCOUNTING.**
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 DO TRACK LOST SALES. THE TEST GIVEN TO US WAS HELPFUL IN OUR UNDERSTANDING OF A SOLID METHOD TO TRACK THEM.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **COMMUNICATION FROM THE SERVICE WRITERS TO THE CUSTOMER, THEN GETTING THE CUSTOMERS BACK IN TO HAVE THE REPAIRS COMPLETED. PARTS ASSOCIATES TRY TO NOTIFY ANY COUNTER SALE CUSTOMERS THE DAY THE PART ARRIVES.**
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? **OLD HABITS FROM PREVIOUS MANAGEMENT, AND THERE HAS BEEN NO WRITE OFF IN YEARS TO CLEAN UP ANY OBSOLESCENCE. CURRENT VALUE IS \$32,125.27**
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.)? **RIM IS OUR PRIMARY STRATEGY, BUT I DO LOOK AT EVERY RIM RECOMMENDATION TO MAKE SURE IT MAKES SENSE AND WAS NOT A ONE- OFF SITUATION THAT ENDS UP PUTTING DEAD STOCK ON THE SHELF**
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? **SIX**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **COMMUNICATION THAT WILL ALLOW OTHER DEPARTMENTS TO UNDERSTAND OUR PROCESSES SO THAT WE CAN BE MORE EFFICIENT IN ANSWERING THEIR QUESTIONS AND HANDLING THEIR NEEDS. OFTEN, WE ARE ASKED THE SAME QUESTION MULTIPLE TIMES, WHEN COMMUNICATION WOULD HELP US ALL.**