

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)? **He's had NCM training, VW training, and he was a part of a 20 Group in 2015.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, not at this time.**
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? **He has not tracked it manually. On reports it shows we are at 82%, however when I tracked it manually we are at 44%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **64% inside, 36% outside.**
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? **There are not any policies in place currently. We have one counterperson who sits next to the Parts manager so our Parts Manager keeps a close eye on him and answers any questions he has regarding pricing.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Counterperson**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, the owners have established the 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? **Yes, we are. We got an increase in November 2022 and will be submitting again soon.**
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. The Parts manager meets with the Office Manager to do end of month. I am the Service Manager and speak with the Office Manager on a weekly basis. I also have a weekly team leader meeting where we review any RO's that have been open 15 days or more.**

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)? **The financial statement and DOC are both provided. We have a weekly Manager meeting where discuss this.**
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? **We have matrix bands for different items. This was last reviewed approximately 3 years ago.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly.**
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 are working on setting up an online eStore right now. Forms/queries are not coming through correctly right now so we are working on fixing this.**
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? **OEM training is available. Some virtual classes are mandatory. Others are not. The classroom classes are not mandatory. Sales skills are not assessed, tested and refreshed frequently enough.**
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? **We have some displays and a touchscreen accessory builder, but it's not being utilized enough. The Sales management is currently not pushing accessories hard enough.**
16. What would help you sell more accessories? **A better sales strategy by the sales staff that offers them on every vehicle sold.**
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? **No, but my Parts Manager is interested to see how to run a customer ranking report in CDK. Any feedback you can provide here is appreciated.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes.**
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 bin counts, monthly reconciliations, and yearly physical inventory counts.**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Lost sales are not being tracked correctly. We are working on creating a standard definition for everyone in the Parts department.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Our biggest issue has been getting our BDC to get people in for appointments. However, I have worked closely with my BDC Manager since class and found they didn't have all the accesses they needed in CDK, so hopefully this will improve going forward.**
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 a robust wholesale which means we buy a lot of parts which can cause obsolescence and/or frozen capital. However, we do a good job managing this. We have more return dollars because of our parts purchases and we segregate parts by months to prevent obsolescence. Our current dollar value of obsolescence is \$0.**
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.)? **At Volkswagen we have SSA which gives us a required number of parts from the manufacturer. It's updated daily and we must be at 80% or above, so we check this daily to make sure we have what we need. If a part is on SSA we don't let it phase out. We also have a report in Excel that pulls everything we shouldn't have that's in inventory and we return those items.**
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? **8 out of 10.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **He said enclosing the parts area would help. Currently it's exposed to the rest of the shop. That makes difficult to talk on the phone because they have to talk over technicians' power tools, air tools, hammering, car wash blowers, etc. We are looking to enclose this area in 2024.**