

## 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 Canada Parts management training in Calgary**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**No**
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 don't know because we don't track it**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**75% Internal**
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?  
**None, our parts counter is ran by our parts manager**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Parts Manager and Service Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
**Yes, Our service manager, he is our fixed ops manager for the store as well, Yes they are current within 90 days.**
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?  
**Does not apply in Canada, Our warranty parts % is 25% other than engines and transmissions they are less. We petition for parts price and door rate increases every January.**
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?  
**No they don't, the invoices are closed out as soon as the orders are completed. There is no process in place right now for reviewing WIP.**
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 to the statement, yes we review gross profit**

reports daily through a group message that includes the Fixed ops manager, parts manager and General Manager.

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 operate with a parts matrix. We review the gross profit % to make sure we are in line with the matrix.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
Never, coupons are done twice a year through Hyundai Canada our hours and employee pages etc are 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?  
No, but is in the works through Hyundai Canada. First thing in the morning is spent responding to any online inquiries and then handled as they come in throughout the day. Jason and Preston get the emails.
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?  
Hyundai offers it, not mandatory, we have not practiced any sales tactics, and never tested or refreshed the process.
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?  
Not offered but have accessories set up near the desk for customers to look at. We have never looked at our parts department as a sales department.
16. What would help you sell more accessories?  
A boutique and availability.
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
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
Yes, \$1,802 per day of sales.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
Preston is the only one billing, pulling and receiving parts.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?  
Yes, we just use lost sales and a MGR report.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?  
Getting the customers back to install them. Implementing paying for SOP at time of order.

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 didn't have a real parts manager at this store for a long time, that did not help us. We have \\$38,792 in Obsolescence.](#)
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.)? [Our DMS makes suggestions based on sales history but we rarely ever stock parts that are recommended based on the size of our operation. We stock based on factory recommendations as there is typically a discount on the parts when we bulk order on their recommendation.](#)
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](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?  
[Training and Transparency with the systems and reports](#)