

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)?

None

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 track this

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

73% outside sales, 27% inside sales

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?

Counter staff are able to change prices, we review the productivity reports monthly to monitor if staff are discounting to often. If it starts to dip then Allen will dive further into the individual parts consultant

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

Parts counter people, service manager and parts manager are the only ones that can change pricing.

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

Yes, we have always priced at full retail.

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?

Being in Canada we do not have the same protection laws. For parts we get usually 40% mark up though this does not apply to everything. Exceptions are made on certain items like radios (0 mark up), EV batteries (only handling fees). With parts there is no option to apply for a increase. For labor rates we get we are able to ask for an increase annually. The last time we asked/received this was March 2023, we are now at \$168.73 warranty rate.

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 and service managers work with our office manager to follow up on WIP documents. They also verify that invoice and ro's are paid in a timely manner. Office manager will email service/parts managers regarding aging invoices/ro's looking for explanations on why they are not paid.

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, Yes the doc is available to review.

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?

Retail pricing using a matrix in general we strive to maintain a 40% margin overall. This is monitored by the parts manager twice monthly. Once mid month to identify if there is any potential issues and at the end of the month to review overall performance.

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

Never, we don't use coupons. Hours of business are accurate, they have not changed in a long time.

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

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?

All counter staff do the global connect training, this is mandatory. This has content provided throughout the year which needs to be done by year end. This is managed by department managers.

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?

Sales consultants have access to accessible accessories, they get paid a commission for anything the sell. That being said not 100% of customers will see this we are relying on the sales consultants.

16. What would help you sell more accessories?

If GM got rid of the LPO program, this makes it tough to sell accessories as most of the vehicles already have most popular accessories pre installed.

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?

Our parts manager reviews this quarterly, if the return percentage gets on the high side for a account restocking fees maybe charged. We assess this on a case by case basis, looking into customer history, return rates and what type of parts (late model stock, something we sell regularly or is it rare and going to have to be sent back)

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

No

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

We do random bin checks weekly, any variances are recorded in the DMS. When we do our physical inventory annually we then communicate any variances to the accounting office.

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 recently switched to PBS and started tracking this. Yes we consider a lost sale anytime a tech requests a part that we don't have on our shelf.

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

The biggest obstacle is getting the customer back in, the DMS will show in the advisors SOP list and it up to them to reach out to the customer. This is looked at daily. Managers also monitor it, anything over a month will get further looked into. If the part gets to old part will be returned.

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 don't find this to be a big issue, our current dollar value \$2,120

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 phase in phase out is controlled by GM's Rim system, Rim has different phase in/phase out strategies for different parts with algorithms determining stocking levels. Its not the same for every part.

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?

7, we currently just switched DMS (to PBS) so we are still learning the new system.

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

Training would be a big plus, as there is no formal training.