

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)?

Kody has no formal training but learned from our parts director who just recently attended Dealer Academy in November of 2023.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
- 3.

VINART

Our Vision, Mission, Values,

Our Vision

Simply the Best. Thos three words embody what we strive to be every day in every aspect of our business.

Our Mission

To deliver Simply the Best quality automotive products and services to an exceedingly happy following of customers in ta workplace environment built on the principles of integrity, respect, communication, and professionalism.

Our Values

- An exceptional customer experience
- Opportunities for our associates to grow and prosper
- Focus on continuous improvement through innovation and accountability
 - Being the best of the best amongst our peers
 - Playing ana active role in our community
 - Having fun!

4. 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?

We have not tracked it manually; however, we do look at it in the DMS reports. It is currently 90.1%

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

87% internal warranty and body shop
13% counter retail and wholesale

6. 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 personnel is allowed up to 25% off of MSRP on most parts. However, the discount is initially offered at 10% and it becomes situational after that and it caps at 25%. Any more discounts have to be approved by Parts Manager

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

Only parts manager and director.

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

We are currently at retail pricing for internal and that was established by GM and Fixed Ops Director

9. 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 at retail and more than MSRP with Honda

10. 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?

There's always a big push to close out as many RO's as possible at the end of the month. However, the only criteria we have is that the car has to be done and ready to be picked up by customer.

11. 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)?

Financial statements aren't shared but a daily DOC is provided to all parts personnel

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

Pricing strategy is reviewed monthly based on Honda's price tape. We use competitive pricing with maintenance and accessories.

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

Not often. All is handled by service director

14. 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 use Honda Dream Shop and Amazon. BDC gets all inquiries and they are communicated to parts counter personnel for customer contact.

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

There's none now other than Honda Modules. Ever since COVID, there are no more seminars for sales training that Honda used to host specifically for parts and advisors.

16. 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 offer a one sheet accessory catalog that customers can look during the time of delivery of new car. Due to used car building being offsite, it's somewhat difficult to stay on top of used car accessory sales.

17. What would help you sell more accessories?

Preinstall accessories on vehicles for display. We also negotiate vehicles with accessories already on them and they become part of the transaction.

18. 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?

Their discounts are reviewed monthly based on month-to-month purchases.

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

No

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

Quarterly counts are done by personnel and an annual inventory done by an outside company. Variances are input in DMS when variances are found and accounting adjusts accordingly.

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

Yes, they are. Our definition of a lost sale is a part that could not be fulfilled and as a result that part isn't ordered or purchased by the customer.

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

Getting customers scheduled in a timely manner

23. 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 no obsolescence.

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

Since Honda has no factory recommended stocking guidelines, we rely on lost sales reports to phase in and out parts.

25. 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?

Between 7 and 8. Kody just needs a little more experience and he'll be just fine.

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

Formal management training and parts operations training.