

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 has KIA training and hazmat certification.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **To be able to provide exceptional service to all of our customers and grow to be the number one KIA dealer in the region.**
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? **We have only tracked with our DMS. FTFR is currently 92%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **RO/Internal/Warranty is about 90% retail/wholesale is about 10%**
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? **Pricing can only be changed with managers approval**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal pricing is at retail unless General manager says other wise.**
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? **No we are not at retail for warranty. We are above retail for warranty.**
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? **Weekly meetings are held by the General manager with all department heads to check status of all vehicles in for repair.**

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)? **We receive a daily DOC**
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? **To try to get to 40% gross profit. I check the daily DOC to see what percentage we are at daily.**
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 do not have an online store. Any parts queries are typically sent to parts managers email who constantly checks his email through the day.**
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? **KIA has training for this and it is mandatory.**
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? **All accessories for New and used customers are at retail pricing.**
16. What would help you sell more accessories? **Setting up a display which we are in the process of doing**
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? **Yes. They are reviewed when processing their returns**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **About \$800 in sales per person for a staff of 4**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Weekly bin checks. I have an open invoice for the month that I use to fix variances and is closed to my parts policy at the end of the month.**
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 lost sales are being tracked in our DMS. My definition of a lost sale is not having the part and the customer leaves as a result of us not having said part or running out of the part that we typically stock and having a customer demand for it.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service department being back up with work and lack of communication from service**
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? **Previous management from old ownership. Current obsolescence dollar amount is \$11,188.19**
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.)? **Anything over 12 months will get phased out.**
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? **I would say I am at a 9. There is always room for improvement.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **An assistance manager in the future once this departments growth is moving at a good pace.**