

Morris 438

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)?
No NADA, just 30 years experience for General Motors dealer.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Yes, we are trying to grow internal parts sales to keep money in house for the owner and support our newer satellite pre owned locations.
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?
Yes, they try to be over 80% they are currently in the 70% range.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Internal (35%), mechanical Ros (25%), warranty (20%), wholesale (15%), Misc (5%)
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?
Four digit employee codes in CDK are entered for discounts by a parts manager.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts managers and service fixed ops director only.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
No, we moved internal labor from a discount of \$119 an hour to full rate at \$179 an hour at the request of our GM but we decreased our parts from 10% off to 20% to encourage more internal buys from our GM.
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?
N/A
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?
Our accounts payable manager runs a reconciliation report to verify each R/O and P/O to ensure the monthly statement for each vendor matches.

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)?

Yes financial statements are reviewed monthly.

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?

Be #1 in the state but prioritize wholesale accounts by size.

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

Our marketing manager audits our dealers page monthly. In 2023 we switched website providers so the site was updated more often than usual.

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?

Yes but its not used often. The parts manager gets to the leads when he has free time.

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?

We train staff members through demonstration but are fortunate to have a low turn over ratio. Everyone here has tenure.

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?

Our delivery coordinator is suppose to offer accessories to each customer before they go to the finance office to take their car home.

16. What would help you sell more accessories?

Our delivery coordinator isn't effective and the salespeople sell accessories to customers who ask, not necessarily customers who may not know the products value.

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 our service fixed ops director reviews whole sale accounts with our parts manager quarterly.

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

Over \$5,000 a day per parts counter person.

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

Manual bin counts as needed on part shelf clip boards supplement CDK'S inventory log.

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 but I don't run the report, our service director of fixed ops does. Yes, not having a part in stock and the customer buys elsewhere.

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

Service advisors increasing their appointment show percentage and parts counter members asking for credit cards 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?
Parts not being returned to OEM in time - \$68,647 (7+ months)
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.)?
3 sales in 9 months
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
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
Stick with one DMS, in 2023 we switched from CDK to Tekion and then back to CDK and it was an extreme headache.