



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)?

Parts and Accessories Management I and II – NCM Associates Institute of Automotive Training. Nissan North America in-class and online Parts Management Curriculum

Parts and Accessories Management I and II – NCM Associates Institute of Automotive Training. Mazda North America online certification

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

EXPECT MORE–Car buying, service, collision work, and auto detailing made simple.

And then Some ... take the extra step to do better

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. 89% FTFR ytd.

No, not manually

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

Inside (RO/Internal/Warranty/Body Shop) 71.5% ytd

Outside (Counter Retail & Wholesale) 28.5% ytd

Inside 65% april 2024

Outside 34% april 2024

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. Parts Counter Team modifies sale price throughout day for maintenance plans, extended warranties, wholesale price matching, etc.

None. Allow counters to switch price code on wholesale quotes to be more efficient on large body order quotes.

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

Only Parts Team can change/override parts pricing. ServiceAdvisors/Manager have limited access to apply published percent-off coupons.

Parts only, but service has the ability to change price on sublet repair

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

Yes, internal parts pricing is at Retail, except for the case of policy, in which parts are billed at a percentage over cost. Internal parts pricing policies are established by the company's owner/general management.

Yes. Not sure I was told internal policy is cost +25% and all other maintenance packages were set up with Directors. Employee is cost + 18%

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?

Yes, our warranty markup matches that of our retail rate.

Yes, currently at 95.3%, 5/10/24 petitioned for 102.9% increase.

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?

Parts and Service Managers close all possible invoices and repair orders daily and verify monthly. Business office follows up on cash sales/outstanding schedule issues. Dealer general management monitors reporting for long-time open tags and expects explanations for aging status.

YES. Countermen check all open invoices.

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)?

Financial statement is given to the Parts Manager monthly. Parts Manager has DMS

access to pull #s/DOC as necessary and is involved in forecasting dept's sales and expense.

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?

Our retail GP goal is 45%. We monitor our tracking/pace daily and weekly and have monthly financial meetings.

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

Parts web page is audited monthly and Parts Specials are updated at least quarterly.

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, we have a parts e-store. All Parts Team Members have access to it and get notifications of orders and questions. The Front Parts Counter Team maintains quality control of the site's business.

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?

Parts personnel are mandated to take HR training, Hazmat and Safety training, OEM brand certification training, as well as OEM parts-specific training. Less formal coaching is also performed daily in department by Parts management

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 Sales and Finance Teams have access to available accessory pictures, descriptions, and installed pricing. We do not currently have a strong practice to offer accessories at every Sales transaction.

16. What would help you sell more accessories?

Much of the Sales Team and even Sales management is new to the Nissan brand. Accessory training and possibly incentivisation could lead to additional accessory sales.

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?

Nissan's Mach1 Tool constantly rates wholesale customers. We use this tool, as well as our DMS, to make decisions about discounts, returns, delivery areas, etc. We use these tools daily in the course of our business, and also meet quarterly to analyze our wholesale operation.

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

\$3024 per counterperson per workday to break even.

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

We reconcile and adjust our GOG and Tire inventories monthly. We book appreciation/depreciation monthly. We do a monthly recon report of our entire inventory and compare our ledger to our pad. We do a physical count annually with an outside service to verify accuracy, and we do cycle counts throughout the year. The accounting office is involved with all of these operations besides cycle counts..

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

We now use the NADA "Lost Sale Decision Tree" and post lost sales when appropriate.

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

Factory maintenance intervals are further apart and clients don't seem to like additional visits to the dealership between their regular services.

22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence?

OEM chemicals, Aftermarket retail displays, company uniforms, package quantities, OEM RIM/ASR stock order system.

What is the current dollar value of your obsolescence?

\$9582 = 12 months, no sale

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.)?

We are required to use Nissan's ASR automatic replenishment system. It uses its own criteria/algorithms for phase in and guarantees the sale of ordered items. I would prefer a more traditional 2 in 6 or 3 in 12 type strategy.

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?

9-10

25. What is the one thing that your organization can do or provide to help the Parts Manager

do their job more effectively?

Our organization is very supportive of the Parts Manager and department. A bit more assistance from the business office (i.e. payables, receivables, etc) would be helpful, but this is something we are working on already.