

For your Parts Managers – Maximilian V. Leighninger

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to collaborate with 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)?

General Motors Center of Learning Parts Manager Certification

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

Do More With Less. Very understood and practiced.

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. FTFR for April 2024: 60.2%

BUSINESS RATIOS ANALYSIS:

	Actual	Guide
Overall Off Shelf Fill Rate	86.1%	90%-95%
First Time Off Shelf Fill Rate	60.2%	75%-85%
Stock Order Performance	72.6%	75%-85%
Inventory Gross Turn (Current Month, Annualized)	6.8	8.0
Inventory Turn (Current Month, Annualized)	4.1	5.0

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

I don't see these numbers.

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?

There are virtually no security restrictions inhibiting parts counter personnel to alter pricing. Pricing is automatically generated in the DMS, setup by corporate management.

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

To my knowledge, only parts personnel can change/override pricing.

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

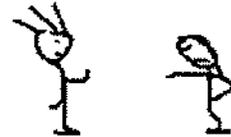
Yes. Corporate management establishes Internal parts pricing. They are current.

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?

I have no idea what this means.

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. Yes. What does what look like? What is this question asking?



Me Office Manager
Us talking

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)?

It absolutely is.

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?

Pricing strategy for which category? Customer pay? Internal? We use a "Matrix" pricing structure. For the third time, this is created and controlled by corporate management, not this parts department respectively. I am not privy to the formulas that generate what matrix prices calculate. I review these "pricing goals" using the Fixed Operations Performance Center through Armatus weekly.

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

The parts department does not control the dealership's webpage. I don't know who reviews them, nor how often.

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. Email notifications are sent to the parts manager when orders are placed online. If there are questions I respond to them the same day. When orders come in we contact the customers the same 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?

GM's Center of Learning portal contains a handful of classes pertaining to sales strategy. Training is mandatory, by both GM and the dealer. Skills are assessed, tested, and refreshed daily.

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?

I believe there is a process that offers accessories that starts on the Sales floor. The Parts department doesn't have a specific initiation strategy. Tactics often used for new vehicle customers revolve around using GM Rewards points they accrue via the purchase of their vehicle and ensuing service visits.

16. What would help you sell more accessories?

Displays. Whether they consist of a couple fully-equipped vehicles on site for people to see how they look on a vehicle and/or potentially their vehicle; or a display on a wall with a myriad of different accessories and equipment.

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?

Not often unless given reason to. Most returns come from other Kunes dealers, who we cannot deny business to nor adjust pricing. Local businesses return little versus how much they purchase.

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

To break even offsetting what? Their wages? Parts costs? Overhead? These questions are vague and nondescript.

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

I review a part audit trans journal several times a day, every day. I post the orders, and review the orders I do not post. I manage RIM daily. I investigate discrepancies daily and make appropriate corrections. I create and pull returns. We contact customers regarding their ordered parts, as well as with our service department to achieve the same goal. I perform

weekly bin counts. I generate claims on damaged or shorted parts. I count all my cores, and handle their returns.

Variances are tracked and printed on my monthly Inventory Management Report, which I share with my office manager via email.

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. I control posting lost sales, not counter personnel. My definition in a Lost Sale was depicted in a quiz I already submitted pertaining to the instruction of our Fixed Operations Director.

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

Service not contacting their customers once their special-order parts arrive.

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?

Customers not picking up/installing their special-order parts. There are processes slowly being implemented to combat this particular issue, such as collecting pre-payment and reaching out to customers in text format amid certain timeframes. Current obsolescence at 24 months and older cost value is \$3,344.00.

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

I'm unsure what settings dictate when parts begin to phase out. RIM suggests stocking a part after a single sale, which I permit often.

23. 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?

7.68592473259

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

More communication,
Direction, Training.

PARTS HOMEWORK – ACTION PLAN

S Specific **M** Measurable **A** Achievable **R** Relevant **T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?
Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15."

S **M** **T**

We will improve our FTFR from 60.2% to 70% by December 15th 2024

How does this goal align with or support your dealer's vision?

What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?

Why is this goal important to you?

R

This will get customers vehicles back on the road quicker, as well as turn our used cars faster. The Benefits are many. Happier technicians, service writers, and customers. Gross profit will go up as well as profits on the front end of the house. If we do not achieve this goal which is still 5% below guide then we will have to send Max to train with other managers in the group that are achieving this goal. We will invest in our Parts manager with additional training. This goal is important to me because its important to my Parts Manager. After going over all the areas of improvement, this is one that he knows he needs to do a better job at.



What specific actions or steps will you take to accomplish your goal? What will you do differently or improve?
 For each, be sure to include necessary resources, who is accountable, the measurable result, and dates.



SPECIFIC ACTION/STEP	NECESSARY RESOURCES?	WHO IS ACCOUNTABLE?	EXPECTED RESULT?	EXPECTED COMPLETION DATE?	ACTUAL COMPLETION DATE?	CHECK OFF
get "dave's" on	n/a	Max	61%	June 15, 2024		<input type="checkbox"/>
get Craig & Jon	n/a	Max	62%	July 15, 2024		<input type="checkbox"/>
Measure and	Business Ratio	Max	64%	August 15, 2024		<input type="checkbox"/>
Measure pace &	Business ratio	Max	66%	Sept 15, 2024		<input type="checkbox"/>
Double check to	n/a	Max	68%	Oct 15, 2024		<input type="checkbox"/>
Let Max know we	n/a	Max	70%	Nov 15, 2024		<input type="checkbox"/>
Parts meeting	n/a	Max	70%	Dec 15 2024		<input type="checkbox"/>
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PARTS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?

S M A T

We get a monthly report from our Auto Group that measures our Overall Off Shelf Fill rate, FTFR as well as our Stock order performance, inventory gross turn (current month and annualized). All though we get the report Monthly I will be checking in with my Parts manager every other week in our Manager meeting.

Potential Obstacles?

A

with Kunes of Oak Creek being our "warehouse" we will see a lot of parts being filled the same day, and not necessarily right away.

Potential Solutions?

A

We need to be proactive about looking at what we have coming in. Getting ahead of trending repairs and stocking more.

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?

S M R T

This will add \$5000 using simple in gross dollars to the parts department. The amount of money this will generate the service department is immeasurable. Used vehicles department could see an increase of \$45000 just looking at our cost of holding a used vehicle for an

CONGRATULATIONS! You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

S A

We will hold Manager meetings weekly where we will ask parts specific questions about these goals. Measure them and hold them accountable.