

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)?
CDK Parts management training and Ford specific certifications and requirements. Senior master parts manager.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Department does not have individual Vision statement, use the overall for the dealership. To perpetuate a multi-generational, highly successful organization of diversified business with motivational leaders that thrive in a culture of helping everyone achieve health, wealth, and happiness.
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?
Never tracked by manually, last time did calculation, we ran in the 90% range
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
25% inside, 75% outside
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?
Managers review daily transactions, look at invoices. Put some differences in cost of doing business account. The manager is able to track that way if the salespeople are changing cost and prices. Run in CDK under PDA to see the pricing the counter is selling for to see GP % of each salesperson. Able to see if they are dropping cost to increase their gross that way.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Service is not allowed to change prices and cannot change labor ops to drop cost anymore to upsell hours
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes, changed 2 years ago. Dealer, GM, Parts Director, and GSM
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?
September 9 going to be cost + 87.6%, well.

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, we have weekly A/R meetings to hold every department accountable to see why we have invoices open for a long period of time and can see how much we have not collected yet from each customer. Helps keep WIP low and have lower receivables

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)?

Provided the full statement, 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?

Change the matrix monthly, have been doing 0.5% markup change every month, but switching to 1%. Play around with higher priced parts because not all can be continuously bumped

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

Coupons are controlled by Ford and they sometimes put up for stuff that we do not have in stock. Have weekly meetings with our website maker and make sure that everything looks the way it should and is operational

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?

Just got it up and running when I was at the Academy last week. We aim to call the customer back within 5 minutes whenever the lead is submitted if they want to pick up in store or have it shipped to their home. Emails were going to sales, but now go to counter people and manager

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?

No internal training is available, all they do are the ones Ford requires for their specific level every year. There is no love for higher certification, so nobody takes extra course. No pay bump like the techs get for being a senior master

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?

No real process, have Bronco display in the showroom to show off different accessories that can be installed, but it is not ever used for what it's intent was. This is one of the processes that we are trying to revamp.

16. What would help you sell more accessories?

Total buy-in from service and sales, sales forgets to push and service does not want to fit it into their busy shop. If Ford stopped doing DIOs it would also help because then parts would get the business as well

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, ongoing review of accounts. Have too many customers to just look into each of them all the time. Also get feedback from outside sales rep and drivers to see what we are doing wrong and if they are doing business elsewhere as well.

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

Not off the top of his head and has not done the calculation in a while

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

Perpetual inventory, try to do 2-3 bins a day, spot checks. If scrap or write off, take the gross out of the inventory account and put it into the scrap account. Do by email so there is an email train, along with having the paper copy with how much to put into what account.

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

They are, but not like they are supposed to be tracked. Try to preach the same definition of lost sale for everyone, but it is not always the case. Gave everyone the Lost Sale quiz and they are all doing it, then taught them the true definition.

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

People to come back and have it installed, also figuring out whose responsibility it is to have the customer come back in, who is supposed to call service or parts. Not having the customer rescheduled before they leave sets the process back and causes the large amounts of SOPs to sit

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?

Sitting SOPs from no shows or from false diagnosis on car, we are not able to return SOPs, Ford gives a 1% credit and we have to self scrap

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 have 3/9 for phase-in and 2/8 for phase-out. RIM separate parameters for the different pieces. They look at other like stores and say what we should be holding and at what level as well. They put into stock what they think we should have and replenish back up to the level they find fit.

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?

8-9

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

Overall communication in the store, feel like they are out of the know with a everything. Key manager in sales got fired and parts did not find out for 2 months until someone asked where they were. Also integrating every department together in a more efficient way to have better flow and so that they can work together more effectively.