

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)?
None, Parts manager has had only some Ford/Manufacturer provided parts training and then has giving what he learned and trained to the parts back counter and front counter personal in the department.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **All Departments follow customers for life and wear that on there sleeve. That has been my stores vision for 20 + years, customer retention and CSI scores are everything, and the sales follow.**
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, Hasn't been tracked really at all parts manager stated. When performed the FTFR experiment we were roughly 25%. That sheet was shared with my parts manager to perform the exercise to understand the stores FTFR**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Majority of the business is the Service and Body Shop. We can't legally wholesale parts in my group due to our parts situation so most of the business and sales is in house. 95% inside sales and 5% outside sales.**
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? **Parts back counter people have the ability to change pricing but they have to confirm with parts manager on all discounts. Current fleet accounts have a discount policy set up which they can follow, anything over and above needs manager approval. Advisors, and other staff have to go to manager or myself fixed operations with a reason why it needs to be discount and has to be warranted.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager, Service Manager, and Fixed ops Manager. Owner as well if needed to be involved in a situation.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are retail + 23% currently. This was established between my parts**

manager and previous owner of the store and hasn't been changed in years but seems to work as we gross good on internal.

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? **Not at retail for warranty, located in Canada and stick to what the province and manufacturer offers. We usually are on a 3 year program that gets assessed new pricing for parts and labor.**
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? **This usually doesn't happen with my parts manager as he stated to me. But me as fixed ops do this weekly with my WIP for my service advisors and body shop WIP which like I stated above is 95% of my parts business, so I keep it clean which benefits the parts department.**
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)? **Parts manager has full access to the financial statement and relayed to me he looks at it weekly to see his sales/gross/expenses. We also have a meeting with all departments every Tuesday and we talk about forecast and trends to see where were going to finish up and we get that information from the statement to be able to track sales/gross percentages etc.**
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? **Retail + 23%, Checking daily. Less 6% because of Fast Parts and sometimes lower due to fleet and on going factors.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Parts manager and myself work together to make sure the hours are updated as we change hours for Quick Lane in summer due to business slowing down, so we work together on coupons, specials, hours and make sure the order form has the proper request to get to the counter front people to answer part requests.**
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? **Emails get sent on the parts request to 2 front counter personal. They then call/text/email which ever customer prefers.**
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? **Lots available, not mandatory, haven't sent parts personal to the training yet. We do sales phone training weekly on Wednesday for current sales staff. Will be sending some parts front counter personal as parts manager was on board with the idea for them to learn then we can track their skills and refresh their skills.**

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? **We don't, we have an accessories program/booklet that my parts manager created for the sales people. It's at there desks and sometimes gets used during the sale process but it isn't tracked.**
16. What would help you sell more accessories? **Incentives the sales people on selling accessories, will only push the needle on adding accessories if they get paid on it. Secondly, Create a pricing matrix on accessories to help pricing to be competitive with other stores/aftermarket companies. Lastly Keep 3-5 vehicles accessorized at all times for customers to see what it looks like on the vehicle to help them on the sale. Lift kits, tonneau covers, bug deflectors etc. Another one is when purchasing a new vehicle with ford you get 40,000 ford pass rewards points. Explain to customer that could be used towards a accessories.**
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? **We cant track wholesale or wholesale at all, yet we do a bit but it goes to counter retail sales. With the parts situation in my area we share parts with 5 ford stores from a company called Fast Parts. We buy from them for a price and sell it at our store, part of agreement is no websites and no wholesale as we agreed on a fair price for all 5 stores.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Parts manager no clue he says, doesn't track. Performed this exercise in class and found we needed \$3893 to break even per parts consultant. So I understand it and shared it with the parts manager on how to track and how to calculate this.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Every November parts does an inventory night, usually they complete this in one night. We do a pizza night and all hands on deck to make sure inventory is counted and accurate. In those months we don't do this, We have a return area the manager is to go thru for body and service/sales to make sure we don't have parts we don't need laying around.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Lost sales haven't been tracked for as long as my parts manager could remember he stated. Owner stated that it could be due to laziness and that's why, I challenged my manager to put a process in place to start to track lost sales and get a better understanding of them. This is implemented and will follow up as much as I can as the fixed ops manager.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customers back in the store to perform the repairs and get rid of the SOParts. I used the word relentless communication in class and I stand by it. Can't**

call once and hope the person gets back to us. We have a good organization of the parts in the parts department and a good tracking record but we need to make sure when the parts are in were on the phones with the customer to put pressure and if they don't come in have a proper return policy in place.

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? **Body Shop repairs not getting completed in a timely manner. Way to much inventory tied up in that department at the store and insurance claims are slow to pay claims and repairs turn into more parts needed after the vehicle comes to us which slows the process of getting those parts installed and closed so we can get paid. Mid September were booking for but we have \$350,000 roughly in body parts for claims needing to be done as we order the parts ahead of time, so getting a better process in place when it comes to ordering.**
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 hits in 9 months, phases out after no sales in 12 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? **7 I'd say. I've been on the same DMS for as long as I've been in the business. Could get better at studying the monthly summary's in depth**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Better staffing and help. Parts department running thin, As service, body and sales grow the current parts department staffing hasn't changed. We offer in house tire storage and during tire season the tires need to be pulled and that can be time consuming for the parts personal. So bringing on quality help for the parts manager to have bins organized, service parts over the counter and parts delivered to body shop techs bays fast. All boils down to help and staffing in my store. Will also help sales with help as that is integral.**