

Parts Manager Questions 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. In collaboration with your parts manager, interview, coach, and answer the following the following questions that pertain to topics you discovered in class. Confer and provide suggestive actions. Provide your answers in a different color font.

1. ~~Does your Parts Manager~~ What have any formal ~~pParts~~ mManagement training ~~does your parts manager have (like for example, the NADA Academy Seminar)?~~ Training through Hyundai training center level of master parts manager. ?
2. Does your Dealership/Parts ~~dD~~ eDepartment have a Vision statement that all departmental employees know and understands? What is it? Yes. The right part the first time. Very simple and to the point but if you think about it when every customer and body shop has the right part the first time it really helps create a positive experience.
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (~~nNot~~ Not using the DMS, or your OEM)? What is your current Repair Order FTFR? We have never tracked it manually. And from what I have researched I don't believe there is a way to look it up in automate.
4. ~~Do you know w~~ What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 292245.90 customer pay last month of a total 359566.72 which makes 81 percent customer pay.
5. ~~Do you have~~ 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? Our parts counter sales people do have the ability to change prices manually in the case where we need to give a slight discount. All discounts are approved through the parts manager though. As far as the fixed matrix the parts manager is the only one with access to that.
6. Who can change/override ~~pParts~~ Pricing? Cashier? Service Director/ Manager? Service Advisors? Parts sales people and the parts

manager can change parts pricing. No one in any other department can change parts pricing.

7. Are you at Retail pricing for Internal? Who established your linternal parts pricing policies? Are they current? Internal pricing is 15 percent off of retail. Our internal parts pricing was established by a collaboration of the parts managers for our different brands.
8. If you are in a Retail Rreimbursement for Warranty state, are you at retail for warranty? If not at retail, when was the last time that you petitioned the OE for retail reimbursement? All of our brands warranty Reimbursement is at retail. Hyundai was last done a year ago, Kia 4 months ago, Vw 4 months and Nissan 8 months ago.
9. Do the Parts, Service and Body Shop Managers along work with the Office Manager/Controller monthly together follow up on all Work in Process (WIP) documents monthly. Do they, and verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? Yes we all work together to make sure everything is processed and closed. The service and office managers go over it weekly.
10. Is the financial statement for the Pparts department given to the manager and discussed on a weekly/monthly basis? If not, is a daily operating report of sales, gross profit, etc., being provided to the Pparts Manager for review (DOC)? The financial statement is available upon request. There is a daily doc for the dealership however I find you can get the same info daily with a report in automate.

What is your retail pricing strategy for your Pparts department? How often do you check to see whether your pricing goals are being achieved? I check daily to make sure we are as a total above 38 percent gross profit. Retail pricing on an average is 48 percent gross profit. But when you get into the website side of things its more along the lines of 36 percent gross profit

11. How often do you audit your dealership's Pparts web page? How often are coupons, hours of business, etc., looked reviewed at and updated? Coupons are usually updated monthly. And hours are updated as changes are made.
12. Do you have a Parts online eStore? If not, are How do you ensure that parts order forms/queries are responded to in a timely manner? and Wwho gets the email leads/questions? We have an accessory

online store and have a dedicated staff for processing and shipping items out. And a dedicated customer service staff for the website.

13. What sales training is available to Pparts personnel? If training is available, is it mandatory? -and_-Hhow often are sales skills assessed, tested, and refreshed? Id say they are tested everyday as all opportunities are unique. As far as formal training basically its myself training them in the proper way to close a sale

14. Do you have a process to present-offer accessories to 100% of your nNew and Uused customers? If so, what does it look like? If not, why not? I have tried a few different approaches (spiffs, fliers in deals and displays) however ours sales people are openly against offering accessories.

15. What would help you sell more accessories? We actually sell quite a bit of accessories on our ecommerce platform. Store level however we could benefit from the sales people in the least mentioning that if they need any accessories to come back to parts. or giving the customer a tour of the parts and service area when they purchase their vehicle.

16. Do you review your wholesale customers to see if their sSales, -and-gGross, per-customer, and returns, justify the expense of conducting business with them? How often are they reviewed? We have very little returns from the wholesale shops we deal with case by case we usually charge 15 percent restocking for returns which covers or cost for sending the items back to Hyundai. Ive never went account by account and checked but as long as we stick with the restocking fee on low volume shops its should always be logical to keep doing business with them. Another note is mechanical wholesale is on a 20 percent minus matrix pricing so we make around 36 percent gross profit off of them which helps make our wholesale worth it.

17. Do you know how much each of your Pparts salespeople must sell each day just to breakeven? To be honest I haven't thought about it. I usually set a base line of 50k a week at 39 percent gross profit as a whole for a starting goal.

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

This one can be a long one. First to note is we typically cycle count the entire inventory over each month. Any variances I investigate to see if they were a keying variance or an actual variance. If they are actual then I would bill them to my policy correcting inventory (this is an extremely rare situation). Packing lists are printed daily and we have one person checking in and then receiving orders which I then double check the packing list against the receiving report for errors. And then check both against the parts invoice from Hyundai as a third failsafe.

19. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? This is one place where we may be lacking. We don't typically log them into our dms except for smart stock purposes. We typically do them manually.

20. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? We really don't have many issues in that department. There are a few warranty customers that advisors have to call several times to get back in. usually if they exceed 90 days I try and offer a free oil change to get them back in depending on the price and profit from the part.

21. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is your current dollar value of your obsolescence? The biggest cause would be non returnable recall parts. Our obsolete parts over 12 months currently is 2511.40

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.)? we are currently on smart stock which is going to parts eye soon. Hyundai has classes for parts abc and def. abc being mechanical parts and def body parts. a being slow moving parts b medium and c being fast moving and the same for def. if I have 3 hits within a year on a an a class ill phase it in. b class 3 hits within 9 months and c class 2 hits within 6 months. And if there are no hits or I have an a class part on the shelf for 12 months I phase it out 9 months for b and 6 for c. I don't actively stock def body parts because most body order consist of several items and they expect a lead time of 2 days.

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? 10

24. What is the one thing that your organization can do, or provide, to help ~~you do your~~ the Parts Manager do their job more effectively?
I believe we do a pretty effective job here and the owners typically provide us with what we need to get the job done.