

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)? **The only formal training he has received is from the manufacturer. Would love some NADA training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No Vision Statement**
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, does not know.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80% v 20%**
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? **No controls in place for counter people**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Counter people, parts and service manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, C.O.O. established pricing policy. It is 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?
Yes, slightly above retail from last year's reimbursement.
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, controller does not let any WIPs get to her without tracking down all parties involved and staying on top of it.
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)?
The financial statement is not. The DOC is shared with Parts Manager regularly.

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?
All counter sales are at MSRP to stay below the pricing matrix of most competitors. This strategy has worked for some time and is checked quarterly to ensure its success.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Weekly basis, they are not changed too often. The coupons are updated every month but usually consist of very similar promotions.
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 started a eStore for Kia franchise to test the waters. If successful, we will open one for the Hyundai store as well. Email leads and questions come thru CRM to internet manager. She will distribute these to the Parts manager for answering or further distributing to counter person.
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? None other than the training offered by Kia and Hyundai manufacturer.
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, have tried different strategies in past. The biggest problem is buy-in from Salespeople and Managers. This needs to be a topic of discussion with all store Managers involved to implement a successful long term solution.
16. What would help you sell more accessories?
Support and belief from Sales and Service department. Specifically, the salespeople and service advisors. They are the ones who will be creating interest in them and selling these 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? Yes, they are reviewed quarterly or more often if time allows.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Not exactly but he does have a good idea of how to figure the breakeven point for each person. When compared to the calculation used in class, he was very close to the same outcome.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Once per year physical inventory and spot checks on assigned shelves by counter people.
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, they are being tracked. There is a varying range of what constitutes a lost sale. The Parts Manager defines any part demand that was not currently stocked in inventory as a lost sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? We do a very good job with SOP parts. One weaker area is ensuring the service advisor is communicating back to parts for any service ticket SOPs.
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? The biggest cause would be ordering the incorrect part or properly tracking lost sales in the DMS. \$4,784.20
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.)? Phase in/out is 3/12.
We have Parts eye and trust it confidently. Even if it suggests a part that has not phased in in 3/12, it usually leads us to stocking something that will be needed.
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? 6, due to the poor summary report that Autosoft produces.
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? A more effective DMS to help in tracking lost sales and communication with the service department. Additional space would also be desired as current space forces us to carry a lower months supply.