

Parts Manager Conversation with **Matt Schlossberg** Young VW Mazda

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)? **Answer-On the job training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Answer-Being financially successful by doing whatever it takes to make loyal customers and long term employees.**
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? **Answer-around 85% per OEM but not consistently tracked manually . Service being booked out two weeks is impacting FTFR.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Answer-85/15 inside vs 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? **Answer-Manager set parameters to not go below cost.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Answer-Parts Manager only.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Answer-wholesale for internal and 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? **Answer-Currently at OEM retail with the recent help of Armatus**
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? **Answer-Weekly department head meeting with dealer principal to review status.**
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)? Answer-Parts Manager given his portion of monthly financial statement and he review a daily Doc.

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? Answer-Max discount allowed is 10% with an explanation for doing it.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Answer-Reviews website every month to see specials and a bi-annual review in department head meeting.
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? Answer-For accessories only for both VW and Mazda.
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? Answer-There is ongoing manufacturer training that is required continuously throughout the year for both and Mazda.
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? Answer-Dominion (third party automated) email sent on behalf of manager for every delivery.
16. What would help you sell more accessories? Answer-Additional help from sales department. Hand out the parts department form letter with every delivery.
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? Answer-We currently have 30 core shop reliable accounts and roughly 8-10 random calls daily. Have one delinquent account.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Answer-\$800 in gross individually or \$4000 in gross departmentally with 5 selling employees including manager.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Answer-Monthly DMS report and perpetual inventory or manual counting of parts.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Answer-yes, any part that is not sold on the same day is considered a lost sale

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Answer-Mostly all prepaid on not returnable parts, customers not coming back for parts, techs over ordering parts for a repair.
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? Answer-sheet metal is the biggest reason for it and tires is the second.
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.)? Answer-Phase in is 3 sales in 12 months. Phase out-9 months of no activity and allowed to return the part and do not re-order
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? Answer-a level of 6
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Answer-Attend this training course for a more comprehensive understanding of the department's metrics and to create a uniform vision of how to maximize profitability. Also, to be more included in the 20 group's departmental reviews.