

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)? **NADA Academy Instructor Mark Michalski. NADA 20 group GG33 been to one meeting.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No. I have thought about this and everything I come up with I think comes up short to how I feel. The thing that I keep coming back to is putting into words how we are all one team. But I have to get service on board with that because we both fail without the other one. But no I do not.**
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? **Yes I have done it twice manually and I do not remember what the first one was. The last one was 71%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Thru 9-30-20 total sales was 72% vs 28%. Thru 9-30-20 total GP was 82% vs 18%.**
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? **None. Consultants are well trained and like bigger paychecks. And most of my guys like coming to me to tattle on each other when one does something they don't agree with or they know I wont agree with.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts personnel only.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes we are. Implemented this in October of 2019 when I completed Marks class.**
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? **We are at retail. We had Armatus do ours last summer. Our warranty reimbursement is 77% our initial number was 84% FYI our tires were going into 242 which is our inventory account. Create a**

new inventory for tires cause when they do the analysis it is by individual part. If you have a hundred CP ro's with bolts on them that have a 400% markup your warranty rate is gonna go thru the roof.

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?
NOOOOOOO! The body shop in the last two days of the month typically closes between \$300,000 -\$700,000 in tickets. The service dept has gotten a lot better over the last year about getting ro's closed when the ticket is done but they are still closing 20,000-30,000 worth of ticket on the last couple of days. I will look at my GP everyday and it will be around 130000-140000 with a couple of days left in the month and we will usually finish somewhere around 200,000 at the end. That's GP not total sales. I have a very good relationship with our controller and I try to get the changes we need/want when they are warranted or justified. I learned a saying though last week at the 20 group meeting. A lot of stuff falls under the 30x30 rule. I wanted mikey to see if mark or bryan knows what that means. lol
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)?
I actually have access to the DOC in the DMS. That is how I track our GP daily. And yes I am given a copy of the financial and have a sit down meeting with the GM one on one. Then we typically have another meeting with other fo managers about it also.
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?
We are trying to achieve 82%. With genuine GM parts that adds a little bump over list. With ACDelco 82% is actually less than list in a lot of cases. On those situations my guys change it back to the higher number. I check once a month. I typically have that info during those financial statement meetings.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
I do not audit it. That is a big fat fail for me. At the 20 group meeting we actually talked a lot about this and we are about to set up NADA analytics that NADA just came out with.
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?
NO
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?
GM has quarterly training and yes it is required. 6 out of 9 of my guys are also ASE certified with ASE P4 which is ASE for gm parts. I know this isn't the answer you want but skills are assessed daily we all work as a

team and help each other grow and get better. We all try to pay attention to each other and what the other one is doing.

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? **Yes and no. We have displays up through out the NCD and the UCD. All the salesman have accessory sales sheet they are suppose to fill out with the customers. The reason I say no is we can only get about half of the salesmen to get on board with this.**
16. What would help you sell more accessories? **Better training for the sales staff and F&I.**
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 we review it on a monthly basis. We also have LinkIQ which gives us daily, weekly, monthly, and yearly trends with individuals or the whole group.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I have these numbers at work and I am currently quarantined but no I do not know the number off the top of my head.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?**We spot check bins. And we do a monthly reconciliation. I give the controller the reconciliation and he makes the entry.**
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. Yes we do. If the customer buys the part from us regardless of if we have it then it is not a lost sale. If the customer leaves because we did not have it and he doesn't want to wait then it is a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Scheduling/BDC. They don't know 1/10th of what that job really intails. Different attitude with the service advisors. The way parts consultants like to say parts hold, our consultants like to tell everyone that it is two weeks out to fix your vehicle. Regardless of what the job is.**
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? **Our biggest current cause of obsolescence is because of poor inventory management from the previous parts manager. I don't think he understood it at all. We are a gm dealer and have rim protected parts that are in stock for 15 months before they go back. When I look at obso I run it 15 months and older for this reason. That value is 105,877.96.**
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 are RIM dependant I just learned at a 20 group that I shouldn't be. One of the many things I am still learning. With**

RIM we approve 2/12. I can tell you when we start doing regular stock orders again aside from RIM we will do a 3/12. The parts manager that was there when I started and Kirkham also he did 3/12. He wasn't really a nice guy but he was one of the smartest parts managers I have ever met.

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**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **There are things I could do myself and work on like delegation. That's my biggest weakness. The only person I trust to do something all the way thru or correctly is Mike. I would just as soon do a lot of stuff myself to make sure it is done or it is done right. Lawrence Hall/Michele pretty much gives me all the tools I need to do my job effectively.**