

## 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 Seminar, Ford parts manager certified, Mazda parts manager certified.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
No
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, just recently because of this class. FTFR was 53.33 over the few days I checked.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
Inside sales at 62%, Outside sales at 38%
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?  
Currently policy only, but that will change as soon as I learn how to change it.
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. Service manager, Parts manager & General manager. Yes they are.
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?  
No. We are in the process of petitioning the manufacturer's now for retail 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. Yes. Small informal meetings where the open RO'S are discussed. Parts dept. doesn't normally have any open invoices at end of month.

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 parts mgr does get a copy of the financial statement now on a monthly basis. The parts mgr runs a 2211 report at least weekly checking the sales & gross profit of employees & now knows where to find the monthly analysis report ( 2213 ) for further information of the parts department.

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?

Profit. We strive to make the most profit possible while still remaining competitive in our market area.

Checking pricing goals is almost daily, 2 days max.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Monthly. And Monthly

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 not really, we have a parts inquiry screen.

Forms and inquires are e-mailed to all department managers, each morning we print them and give each other the forms for follow up.

I believe this needs to be updated to a more real time type system, AKA sooner than later information transfer for a quicker response to customers.

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?

Sales training is offered by both of our dealership manufacturers.

The sales training includes both product knowledge & sales techniques ( phone skills, ask for the sale etc ).

The training from the manufacturer's is mandatory on a quarterly basis.

Sales skills are refreshed quarterly and or yearly by both manufacturers for employees to remain certified.

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, all new & used car customers are offered accessories brochures for the vehicle they are purchasing at the time of sale.

The sales staff have accessories brochures also and are supposed to offer them to the customers also while working the sale.

We have a small accessory display on the showroom also to show off some of the accessories that are available.

16. What would help you sell more accessories?

I need to attend the next fixed ops and sales meetings to reinform all sales about offering the accessories and pushing the sales also.

We currently spiff the person selling accessories for each sell, rather it's salesperson or parts counterperson or service advisor ETC.

We need to have a larger and more rounded out displays of 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 we do. We review them on a quarterly basis & adjust them as appropriate.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Yes. Each sales person must sell at least 668\$ daily

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

We have the DMS preset to run a negative on hand report every night so it can be addressed each day.

We also do a complete bin inventory each time we add a part to that bin.

As well as periodic bin counts, and every 3 months try for complete inventory if time permits, if not then will check the rest of bins asap.

Don't have a practice for informing accounting except thru the DMS when bin counts are changed.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

They are now.

Our common definition of a lost sale is, customer requested part, didn't have it in stock, customer didn't order because needed faster, that's a lost sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Getting the customer back into the service department to have the part installed.

We do not currently have a prepay system in effect for special order parts for service or over the counter, but hats going to change soon.

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?

Well this will be a long story, customers not returning for special ordered parts to be installed that had been ordered , body shops returning parts , that most of the time can't be

returned , then plain old parts can't be returned to Ford because of the time of having the part since ordering 45 day, after that time period ford will not take the part back. So it is ours until sold or scraped either way.

Our current value of 24 months no sale shows to be 26572.24

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.)?

The Ford Dms setting is at 3/9, 3 hits in 9 months , lost sales or actual sales to phase in a part.

At this time this is the currently recommended stocking guide for Ford.

The Mazda DMS is now on the Parts eye management which is a lot more aggressive at about a 2/6 ratio

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?

8-9 now that I have been introduced to all this new information and have had a chance to learn all of this and the KPI's , I have a lot better understanding of this information and understand how to use it to help me to benefit my company as a parts manager.

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

I believe that a better DMS system would be a great improvement to be able to do the job of the parts manager.

We are on the Reynolds & Reynolds system ( old version )

I have heard that the newer version ( Ignite ) is a lot better but have not been able to see or utilize it yet because to get a "seat " on Ignite is so expensive.