

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)?
-Parts GM training / Hyundai training
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
-Yes, Being guest centric, this is a common practice thought our dealer and organization.
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, 45
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
*67%
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?
-Manger access. Only manager account can override
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
-Part manager and assistant parts manager.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
-Yes, the manufacture sets the price mark. They are 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 we are. When customer doesn't show up for their SOP and we have to request 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 they do, and Yes, They verify all parts invoices and make sure before starting inventory that all advisors are not creating any new repair orders and assure everyone else is don't for the day.
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)?
-Yes it is, it's handed out every Fri and reviewed with service and parts.
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 try to be competitive with our district pricing. That's how we gauge where we put pricing at.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
-We audit the web page on a monthly basis, coupons are posted monthly also. These are brought up every month with Hyundai rep for promo reasons.
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?
-Not at the moment
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?
-WEBDCS training through Hyundai platforms is always available to parts personal
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?
-Usually it's during the new car sales process, salesperson would introduce all departments and walk over to parts counter and counter parts person presents accessories to new customers.
16. What would help you sell more accessories?
-More money spent on advertising
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, if profits fall under 20% we consider removing the account.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
-Not exactly, but roughly 30% over cost to break even.

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

-Internal audits quarterly a physical one. WIP review is also a good practice.

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, anything that's supposed to in our inventory that we don't stock is a lost sale being tracked.

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

-Being able to contacts customer and having them come in before parts are returned.

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?

-Warranty parts that we're never installed. \$11,008

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.)?

now has a software that works the phase in and phase out inventory based on trends and demand.

With this program it decided for you and if you disagree you're able to manually select.

-Hyundai

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?

-About a 7

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

-More assistant and up to date training at least every year.