

## Parts Manager QuestionsConversation.

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. In collaboration with your parts manager, interview, coach, and answer the following the following questions that pertain to topics you discovered in class. Confer and provide suggestive actions. Provide your answers in a different color font.

1. ~~Does your Parts Manager~~ What have any formal pParts mManagement training does your parts manager have (likefor example, the NADA Academy Seminar)? No formal parts training however completed Kaizan leadership training in 2013.?
2. Does your Dealership/Parts ~~dDepartment~~ have a Vision statement that all departmental employees know and understands? What is it? No vision statement directly for parts however there is a dealership vision statement. Employees are comfortable with Vision. It is posted in front foyer door as well as through email communication.
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (~~nNot~~ using the DMS; or your OEM)? What is your current Repair Order FTFR? Have not tracked manually, use Minepoint and Rimpro to determine FTFR
4. ~~Do you know wW~~ hat percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? Inside:10% Outside:90%
5. ~~Do you have~~ 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? Employee will go to Asst Parts Mng or Parts Mng prior to changing parts pricing for approval. Daily report (Parts sold below suggested retail) to managers sent from DMS which shows any parts pricing adjustment and employee who altered price. Parts Manager reviews report daily.
6. Who can change/override ~~pParts~~ pricing? Cashier? Service Director/Manager? Service Advisors? No service employee, parts technicians only can adjust pricing. Due to DMS permission controls.
7. Are you at Retail pricing for Internal? Who established your ~~iInternal~~ parts pricing policies? Are they current? Internal RO's are posted at cost plus 10%. This was a decision made many years ago and is our business policy for all locations.

8. If you are in a Retail ~~R~~reimbursement for Warranty state, are you at retail for warranty? If not ~~at retail~~, when was the last time ~~that~~ you petitioned the OE for retail reimbursement? DTNA determines warranty parts pricing. We are not in retail reimbursement.
9. Do the Parts, Service and Body Shop Managers ~~along work~~ with the Office Manager/ Controller ~~monthly together~~ follow up on all Work in Process (WIP) documents ~~monthly. Do they, and~~ verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? Parts Manager does not work with Controller or other department managers to control WIP. This responsibility lies on the Service Manager.
10. Is the financial statement for the ~~P~~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., ~~being~~ provided to the ~~P~~parts ~~M~~anager for review (DOC)? Yes both are provided. Monthly variance reports and daily projection reports. Parts Manager is responsible for financial performance.
11. What is your retail pricing strategy for your ~~P~~parts department? How often do you check to see whether your pricing goals are being achieved? Yearly budget built by Parts Manager which includes sales revenue & GM %. Parts Manager review customer price codes daily for hard coding errors and bulk buying items. High turnover items which need to be competitively priced also reviewed daily. Parts Manager uses Minepoint to review gross margin in classes to identify areas/lines to improve.
12. How often do you audit your dealership's ~~P~~parts web page? How often are coupons, hours of business, ~~etc., looked reviewed at~~ and updated? Never, webpage is managed by marketing department. Unsure of frequency of updates to website however a new Marketing Director is in place and there is room for improvement.
13. Do you have a Parts online eStore? ~~if not, are~~ How do you ensure that parts order forms/queries ~~are~~ responded to in a timely manner? ~~and~~ Who gets the email leads/questions? We have a OEM online store that is not working well. Customers have access to pricing and are not always comparing apples to apples. Customers use this to save 50 cents not looking at the value our dealership offers such as open 7/24. Etc. Customer also will leave site if they see no inventory, but we don't have the opportunity to source it and provide. Customer not always qualified to look up parts and gets confused easily. The customer has no means to contact dealer thru online store but must leave store and contact dealer physically thru phone, email, our website live chat. Etc.
14. What sales training is available to ~~P~~parts personnel? If training is available, is it mandatory? ~~and~~ How often are sales skills assessed, tested, and refreshed? DTNA

provides aprox 50 online modules that focus on selling skills, technical skills, phone etiquette etc. New employees are given access to training right away as their experience grows new modules are added.

15. Do you have a process to present-offer accessories to 100% of your nNew and Uused customers? If so, what does it look like? If not, why not? No formal process, sales consultant will offer accessories through the sales deal. Something we can consider going forward is to formalize this process.

16. What would help you sell more accessories? A bigger showroom, and more truck sales!

17. Do you review your wholesale customers to see if their sSales, and gGross, per customer, and returns; justify the expense of conducting business with them? How often are they reviewed? Yes, whole sale customers are reviewed monthly by the parts manager and Outside parts manager. Wholesales consultants are paid by commission.

18. Do you know how much each of your Pparts salespeople must sell each day just to breakeven? Not sure. Will look at excel sheets from ATD

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Cycle counts happen all the time. YTD 3 full counts have taken place. As daily/weekly areas are counted adjustments are made as they are identified. Adjustments and variance will show on reports reviewed by controller.

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, lost sales are tracked through DMS. Lost sales is defined as not getting the part to customer when asked for.

21. What is the biggest obstacle to in getting your Special -Order parts off the SOP shelves and installed/picked up? Contacting and following up with the customer to get back in for the part once it has arrived. Overall the process is working, not too many aged parts. All under 30 days.

22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is your the current dollar value of your obsolescence? Obsolescence is at 1.4% - controlled well.

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.)? RImpro manages all parts. No manual process required anymore.

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? 7, there is a lot of information on there. Different positions handle different areas, Subject matter experts!
25. What is the one thing that your organization can do, or provide, to help ~~you do your~~ the Parts Manager do their job more ~~effective~~effective. Manpower.y? Spread thin but in tough economic situation right now.