

## 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)? **This is probably the most informative training other than the ongoing compulsory annual training for parts staff offered by GM. I have completed some parts manager specific training through GM as well.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes we do. Our Vision: To attract and attain lifelong customers by providing premium value products and services and creating an exceptional ownership experience for every customer. We are driven by teamwork and continuous improvement to earn our customers' loyalty through integrity, respect and value.**
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? **I have done this on one other occasion for our General Manager for one of her focus group meetings. Latest measured fillrate is 87.10%. (25+ repair orders)**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Based on our September statement 46% vs 35%**
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? **Parts sales on invoices and repair orders are coded depending on the operation or customer account. We have faith in our parts staff that we are selling our parts at the correct prices but we still review this pricing before completion of counter invoices and repair orders. Our DMS can also track gross and if we are not meeting our expected levels.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only myself or our Fixed operations manager can alter pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No we are not at retail for internal. These internal price codes are established by our Fixed Operations manager in conjunction with our Controller, New car dept and Used car dept and yes they are current as they were last reviewed in October/2020.**

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?  
Not applicable/  
Canada
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?  
Each month our Fixed op manager in conjunction with the Parts and Service managers strive to complete as many WIP documents and to ensure that as many parts invoices can be closed. It is an ongoing thing that each department head tries to close repair orders and parts invoices at month end.
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 am given our financial statement each month and from time to time I sit down with our Fixed Op manager to go over the report. It is an aspect of the business that I would like to become more familiar and comfortable with.
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?  
Pricing strategy varies from parts counter pricing to service menu pricing. These variations are administered by our fixed operations manager. Matrix pricing is also used for various sources. Our numbers are looked at monthly for review.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
The tire/wheel section on our web page is updated each season for weather appropriate applications along with hours of business etc and from time to time to reflect cost increases. Our accessory site is administered by a third party but we review and update when necessary. We are able to control pricing and labor times for accessories as well.
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?  
On our company website under the parts header we feature a Tire site to obtain quotes from a single tire to a tire/wheel package. Also we feature an Accessible Accessories site to enable customers to find and price accessories to fit their vehicle. A parts eStore is in the works and hopefully it will be up and running soon. Accessories and tire queries are forwarded to us via email and are checked continuously.
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?  
Training is provided to all parts personnel through mandatory courses offered by GM on an ongoing basis and are required

to be fully completed by November each year. Parts staff are required to achieve a set passing grade. Also training is offered on our DMS which staff can avail at their leisure to help discover new features of the system or to review topics they are unfamiliar with.

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? Here at our dealership we subscribe to Accessible Accessories. This is a site which enables our staff or the general public to view and price accessories for their vehicle. The site provides all accessories offered for most GM vehicles and includes pricing plus installation.
16. What would help you sell more accessories? GM continuing the various programs it currently offers regarding accessory purchasing and volume discounts is very important in helping us maintain a profitable accessory component to our business. Through these programs we are able to offer parts at custom prices which can be attractive to consumers.
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? Occasionally we review our wholesale business and keep in contact with same to ensure we are providing the best service we can and if there are any issues and how to resolve them. As I said it occurs from time to time but a more regular scheduled look at our wholesale business is desired.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes through our breakeven analysis we are able to determine that figure. In our case based on YTD expense the figure is \$1673.47.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Prior to taking on this role we rarely did bin checks until it was time for our annual inventory. I have begun to run consistent bin checks bi-weekly. Also we address our negative on hand and no bin issues weekly. As far as variances go, if we cannot find or track down a part we charge it off to an internal acct which our accounting department records.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Lost sales was an on again off again process for many years at this dealership. I can recall our former manager telling us once in a blue moon about lost sales. Some months he was insistent, others he let it slide. My goal is to ensure all our parts staff realize the importance of lost sales tracking and how it can help our productivity and profitability. With regards to my understanding of Lost sales, the question is, if there was a demand, did we capture or fulfill that demand?

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Our biggest obstacle currently is making sure the customer, whether it is Service, internal, wholesale or retail, that their part has been received and is available for them to book an appt., pick it up or have it delivered.
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? Uninstalled and not returned to GM SOP's. Current 12+mnth total is approximately \$ 86,000.00 with a return balance of \$30,000.00 being utilized in the near future.
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 utilize RIM and rigorously monitor source sales, ie (brake, filters, etc). We utilize every discount through volume orders from GM.
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? 6-7
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 more one on one mentoring from our Fixed Operations Manager would be beneficial. Also being able to avail of training like this.