

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)?
GM Parts College, 20 Groups, Parts & Service Clubs.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No, we 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?
Use DMS and Other inventory management software to monitor this.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
95% inside and 5% outside.
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?
Employee IDs are used to control discounting privileges. Discounts must be cleared with Manager.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Only Cashier and Parts Manager can adjust or override pricing. Cashier calls P.M. to review a necessary adjustment before the change is made.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are not. We are using Cost +40 as our internal rate.
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?
For GM and KIA we are Cost +40. We have not petitioned our OE 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?
Our WIP is reviewed monthly. Open Ros are reviewed monthly.

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)?

Parts Manager gets copy of statement and additional breakdowns of Department performance.

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 use a matrix on most Parts. For most maintenance items we try to flat price to stay competitive with 3rd parties.

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

Coupons are reviewed monthly along with site contact information.

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?

We sell mostly accessories online. Online sales have increased since adding automated email reminders into the CRM. Email leads and questions are handed off to Parts Dept.

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?

Ongoing OEM training and been sent to some onsite training. Training goals are set each quarter.

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?

Not during the Sale. We have automated email campaigns that are sent after with information about the discounts they receive as loyal customers.

16. What would help you sell more accessories?

Sales team getting more involved with sales.

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?

We monitor returns and not much else since we work with few clients.

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

Not sure.

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

Check inventory each time an item is pulled. Review recent Ros if a bin of shelf count is found to be off to tie to an RO. Dept eats the error if the vehicle has left the shop before the error is discovered.

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 we can't have in our stock today.

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

Having the service cashier consistently follow up with SOP customers.

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? Frozen capital from SOPs and old

Saturn, Oldsmobile, and others parts that're still here. On different online catalogues for the parts but certain ones (batteries) need to be disposed of since they are not good parts anymore.

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 mainly rely of RIM and Parts EYE for OEM stocking. Must maintain 85% within those programs to stay eligible for extra payouts.

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?

10 understand all parts but use other inventory management reports and software to better monitor certain items.

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

Better coverage of drivers if tires or parts need to get picked up. More help from sales to get accessories sold.