

Parts Manager Conversation

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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)? **Our Parts Manger's family previously owned our dealership, he was mainly a frontend manager. Once his family's dealership was purchased by our company, he was given the opportunity to manage the parts department. All his training was hands on. He did not have formal parts training. One thing that he does do, is train through Volvo's Master Certification online. I explained to him, how beneficial NADA's course has been and plans on attending the fixed operation's seminar in the near future.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, We do. The mission of the Village Automotive Group is to profit from the sale of automobiles, parts and service. We will achieve this by creating an environment for our customers of comfort, trust and respect.**

This environment will be created through the continued emphasis of employee satisfaction, which leads to greater efficiency and productivity through employee retention.

We will strive to teach our employees to establish a daily goal of anticipating and satisfying our customers' needs in order to establish a relationship-based business, which cultivates an ever-growing customer base.

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? Never tracked manually. **Current First time fill rate is 93%. I suggested the exercise we completed on first time fill rate, to gain a better understanding of the percentage.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70% (RO/Internal/Warranty) 25% Wholesale and only 5% Counter Retail. I suggested my action plan on increasing counter retail. He will contemplate it.**
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? **There are no measures, we only have 2 counter personnel, including the parts manager. Pricing structure is on a deal-to-deal basis. I suggested our guides with respect to the various transactions.**

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The only person that can override any transaction is the parts manager. No suggestions in this case.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, all internals are charged retail. The internal parts pricing policies are established by the owner, and are engaged monthly, which leads to being 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 in Massachusetts (Retail for reimbursement state)**
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, parts and service meet monthly on all work in progress. All invoices and repair orders are closed and processed in a timely manner. Well run fixed operations process allows this to happen daily.**
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)? **We have weekly management meetings and monthly financial meetings discussing expenses, gross and net. The parts manager has daily access to the financial statements.**
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? **The retail pricing strategy is set by the manufacturer. The parts manager checks weekly to assure correctness.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **The dealership's parts page is checked within the first 3 days of each month, with our website manager. At that point coupons are refreshed and hours are checked on all platforms including Google my Business.**
13. Do you have a Parts online e-Store? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? **We have an ordering page, not necessarily a full E-Store. Parts order forms and queries are responded directly by the parts manager. He is constantly in front of his computer, the only queries not responded in a timely manner are after hours., but they are responded first thing in the morning, every morning.**

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? **Yes, there is quarterly sales training, set by the manufacturer. Sales skills are refreshed quarterly through online MANDATORY Volvo certification training.**
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? **We only relied on our webpage for accessory sales. Now that I have developed an action plan with our sales department, introducing accessory purchases on every unit sold. The Parts Manager is open to this new action policy that was developed in the NADA training. We will then set monthly goals and track accessory sales weekly.**
16. What would help you sell more accessories? **We will add pricing on all accessories displayed in the showroom on every vehicle. Conversation with every client ensuring awareness of the available 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? **Wholesale customers are reviewed daily. Our parts manager has a long history with our wholesale customers and in his opinion, each has their own benefit to the company.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, having only 4 people in the department, including two drivers. The goal is set daily. Not only to break even, but to make a profit.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Inspects daily stock orders, inspects dirty core parts for all timely returns, completes weekly Perpetual counts. Variances are communicated monthly with the office manager.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **All lost sales are tracked in the DMS . Yes, all counter people share the same definition to the lost sale, our Part's Manager's personal definition to a lost sale, is when a part order is not fulfilled immediately. I explained the two questions to ask: "Did we have a demand?" Did we close the demand in the DMS system?"**
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? **The biggest obstacle is scheduling the clients to comeback in. I suggested using a BDC strategy and is open to the suggestion.**
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? **Wholesale returns, not sent back to**

the manufacturer in a timely manner. Off the top of his head, he stated we had approximately \$1800 in obsolescence, which in fact we do.

- 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.)? There is no set strategy when it comes to phase in/out. He uses his experience, seasonality, and history to set the stage with his factory recommended stocking structure. I recommended looking at it traditionally, 3/12. When there is a demand I 3 separate months out in a 12-month period.**
- 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? After many years of using his monthly summary, our parts manager considers himself an expert (10)**
- 25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? His first answer was "leave them alone" In a jokingly manner, but then stated in order to assure efficiency and productivity that he would want and need more communication from the various departments to ensure success.**