

## Parts Manager Conversation

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)?  
The Parts Performance Group with Audi. 3 Times per year like a 20-group meeting sharing best practices.  
Parts Edge 2 day Class.  
Also scheduled for NCMi training in May of this year. An Advanced parts class.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
Yes. Our number one goal is to never lose a customer. This is all mapped out with a Credo to be owned and know by all team members. This credo was based on that of the Ritz Carlton, laminated and to be carried at all times.
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?  
No. Currently at 84.56%.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
68/32
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?  
Policy is to stick to matrix. Trust is high as gross has much department pride.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
The Parts team only with the exception of the Service Director.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
Yes, the Parts manager and the GM and yes, 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?  
Absolutely, we have been very focused on that and revisited for increases at every opportunity.
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, more often, at least weekly. Pending WIP report is looked at 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)?  
No. But yes, the daily DOC is a lifeline.

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?  
40% is the department goal. (39.03 as of today). The matrix was adjusted February 1<sup>st</sup> to stay in line with our target.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
Monthly, The web team offsite maintain and change specials or coupons monthly.
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?  
No. The parts leads are emailed to the Parts Manager to distribute and follow up.
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 and yes. We have Jaguar continued education that must be up to date.
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 order from the port to help attain Jaguar targets as Jaguar does not have the most accessorized models. The showroom has multiple display areas for merch.
16. What would help you sell more accessories?  
We did try a third-party accessory company last year which didn't move the needle but the addition of Land Rover (building the dealership presently) will change everything.
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, weekly reports. Covered every manager meeting.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
No. But will break that out today!
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
Monthly cycle counts. A warehouse team member is a big help with this. Monthly reconciliation 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?  
No and no they do not. The NADA class notes and findings will be shared.
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up?  
All SOP's are paid for except for warranty. Communication is always the biggest hurdle. E-mail, call and Text every time.
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?  
Zero YTD. At the end of 2020 a new Parts manager came in and made this a priority. He got \$8000 down to \$3800 by year end which we wrote off. Misdiagnosis is the number one cause.

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.)?  
3 in 12. No sales in 10 for phase out. Daily stock orders to satisfy the factory guidelines.
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. very involved
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?  
If Jaguar logistics were better. If they were improved life would be easier, i.e. damaged and incorrect parts delivered. Too many hoops to jump through complicating the process.  
As far as our organization