

## 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)? **My parts manager, Tony Hill, is a graduate of the Ted Pierce Academy of Parts Operations. Ted was our Parts Manager for 22 years before becoming our groups Parts Director. Prior to coming to us, Tony was a seven year operations manager.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes. "TO PROVIDE OUR CUSTOMERS WITH A SHOPPING, BUYING, AND OWNERSHIP EXPERIENCE THAT CONSISTANTLY SATISFIES EACH INDIVIDUAL'S NEEDS AND EXCEEDS THEIR EXPECTATIONS IN A COMFORTABLE SUPPORTIVE ENVIRONMENT. IF FOR ANY REASON YOU ARE NOT SATISFIED WITH ANY ASPECT OF OUR SERVICE, PLEASE CALL (SALES, SERVICE, OR PARTS DEPENDING ON WHERE POSTED OR PRINTED ON RECEIPT, RO, OR SIGNAGE) MANAGER FOR ASSISTANCE."**
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**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Our percentage of inside business is 41%.**
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? **Only key management has security to do so on DMS.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts counter people, director, and manager No cashiers or service advisors are allowed to change prices; just as parts employees cannot change service labor rate.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Our current pricing structure is cost plus 25%, set by our owner.**
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? **We are at full matrix reimbursement for labor and parts courtesy of AB179. We petitioned 12/11/2020.**
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?  
Sales and Service meet monthly to discuss. Our relationship is a strong one-ALWAYS POSITIVE.

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)? Yes it's reviewed monthly while the 009 DOC is reviewed daily.
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 compare against other metro stores as well as other ecommerce stores.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Every 45 days all of fixed ops is reviewed.
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? Yes, we have ten counter people who monitor, fill orders daily, and answer questions.
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? Sales training available through U of T. We asses, coach, and train weekly.
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? Sales department presents at the time of sale. We present options not present on vehicles on the showroom floor via ipad.
16. What would help you sell more accessories? We definitely need to improve our labor quotes. We are NOT UNIFORM. If you call six advisors; you'll get six prices. We need to correct this.
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, our parts manager reviews the NAD report weekly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We report on hand discrepancies immediately and operate a perpetual inventory.

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. Our definition, now since class, is meeting the customers specific need that day. We're on the same page.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **The biggest obstacle is communication. As long as we focus on good communication the parts are picked up, installed, or shipped.**
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? **The biggest cause of frozen capital are items that unsold boutique items under twelve months. The dollar amount is \$7,600.**
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.)? **Our phase in strategy is 2 in 4. Our phase out is 6 months no sale. No guide equals No replacement.**
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**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Our DUE BILL process needs more uniformity and more specificity. Also we'd like to be able to issue gift cards from Sales to Parts just like the big boy stores, Lowe's etc., to more efficiently be able to track customer credits. Since we regularly use \$200 Parts credits as a closing tool; I am working to make this happen.**