

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)?

I have had no formal training in the way of NADA or any other organizations or academy such as that. I have been fortunate enough to work under 3 amazing upper management executives in the last 10 years who provided unbelievable guidance and knowledge. That along with OEM brand training have gotten me to this point.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

We as a dealership do not have a mission or vision statement. We as a parts department do not necessarily have one either however when I started here in January of 2020 I decided to put up little statements of guidance, support, positivity around my office and at the back counter area. I wanted to set a mood or atmosphere in the department that I thought was lacking previously. If I were to pull one statement I always hammer into my guys it is "get the right part the first time". This is simple and used a lot however it is important. Wrong parts mean less productivity, less gross, low csi, angry clients and an overall bad mood departmentally if it happens on a frequent basis.

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 never tracked FTFR manually. I have done assignments such as the one we did in this course for some of my other managers who took this NADA course. According to the study I did for my course this month we were at a 96% fill rate. According to my last partseye monthly report we were at a 94.4% fill rate. The district, regional and national average hovered around 90%.

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

70% inside and 30% 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?

I am lucky enough to have 2 amazing counter men. We all trust each other and from day 1 here I felt a comradery with them both. I feel trust is huge when working with people. I check override reports, gp levels and scan previous days ro's and parts invoices regularly to keep everything in check.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

Myself, my 2 parts advisors and the service manager.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes we are at list or MRSP pricing for internal. Policy was set by our GM. It is 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?
Parts bill out at cost + 35% currently for warranty. Until this course it never entered my mind to petition for an increase on the parts side. I know in service they can make a case to have labour rate increases in service. Part of my future action plan is to inquire or push for an increase.
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?
The service manager and I work together during the month and at month end to go over open ro's and close as much as possible. I check open parts invoices 2 to 3 times a weeks to clear up outstanding items.
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)?
The financial statement is provided to me and gone over when necessary. Daily reports for sales and gross profit are looked at. I also keep my counter guys in the loop on the financial statement so they are aware of costs, expenses, profits etc. so they understand why and where decisions come from and the ups and downs of each department and the dealership as a whole.
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 pricing strategy is to make as much gross profit as we can each and every time. I teach my team that there is going to be a give and take each and every day but the key is to even it out, where you give a little here you take a little from there and to always be minding of making a minimum number. Play the game however never give anything away. Sales and gross profit numbers are checked daily.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
I have honestly not taken a good look at web page often. This is an area we can improve on. Hours displayed are checked regularly. Part of my action plan is to spend more time tailoring web page and having more of a presence there.
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 do have an online parts accessories store. It was recently put up however we have had no enquiries thus far. The leads or questions would come to me and would definitely be responded to in a timely manner.

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 available through Nissan Canada and is done on monthly basis. It is mandatory. Parts advisor skills are constantly looked at, checked and assessed.
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 do have a process in place. We have a large accessory wall in our service drive. It is very visible and sales consultants are to take customers over to wall during their sales process. We are currently in the top 5 or 6 with regards to average accessory dollars per vehicle sold as well as gross profit on accessories per vehicle sold.
16. What would help you sell more accessories?
 The process in sales sometimes falters and not everybody is shown the wall. Once the availability of vehicles gets back to normal more accessorized vehicles in showroom would help as well.
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?
 This is reviewed on a case by case basis throughout the month. Part of my action plan is to shrink the area we cover for delivery to cut down on expense and weed out the sales and deliveries that just do not make sense.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 According to the work we did in class each of my advisors must sell \$2500 per day for us to break even.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
 We run bin counts regularly and are in constant communication with the accounting office. We have a very strong assistant controller who picks up discrepancies quickly, advises me about them so they are corrected in a very timely fashion.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
 We currently do a poor job of tracking and recording lost sales. This is part of my action plan going forward. My advisors know and understand what a lost sale is. In my opinion a lost sale would be any part that is being asked for that we cannot supply in some form that day.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
 Lack of communication between departments hurts us. Part of my action plan is to tweak the process so communication is better and advisors are aware sop parts are in.
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?
 Biggest cause of current obsolescence state is poor management previous to my arrival. There was no dedicated parts manager for roughly 5 years before me, a fixed ops manager who spent the chunk of his time on the service side leaving 2 advisors and a driver basically on their own. The inventory was not managed properly. Our total inventory is

currently \$485,000, \$100,000 being 6 – 12 months and \$55,000 over 12 months.

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 are currently setting up phase in and out criteria as we are switch DMS systems January 3, 2022. Temporary criteria is 3 hits in 9 months phase in, no hits in 9 months phase out. We currently use parts eye for our stocking orders. The new system has ability to provide suggested stocking orders. My plan is to continue using partseye and look at the suggested stock order new DMS gives and balance it out.

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?

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

Our ownership and upper management have done an above average job of providing us with the tools to do our jobs. If we can show that what we need is necessary to provide our customers with top level service experience there is never any push back. They trust our judgement and our opinion's and it is very refreshing to see! The one thing I do see is the communication between departments and even within departments is sometimes lacking.