

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)?
 - Yes, the manufacturer use to come in and do training or have him go to a classroom for training
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - Not for parts. The dealerships is: To provide our customers with a shopping, buying, service and ownership experience that consistently satisfies each individual's needs and exceeds their expectations in a comfortable, supportive environment.
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?
 - Not manually
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 80% Inside sales, 20% 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?
 - We only have 2 people working in the parts department so both have control. The parts counter person reviews any overrides with the manager before doing them unless the manager isn't working that day. Then the counter person uses his best judgment when it comes to the level of discount applied
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - Only parts personnel
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - We use a matrix pricing structure for internal. It was implemented by the owner a few months ago after we had a consultant come in to review our operation.
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 not a full retail for reimbursement as of right now. We petitioned 2 years ago this coming February and plan on doing so again first quarter of 2022
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 manager gets with the office manager at the beginning of every month to review WIP
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, it hasn't been reviewed in the past, but we are changing that. He does review the DOC every other day if not 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 are using Matrix pricing based off of cost. Review it daily
 12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - Never, our website needs work specifically for the parts department
 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 only have an Estore for wholesale transactions. We currently use Repair Link and the parts department like it
 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?
 - Just factory training at this point. The factory training is mandatory but as far as assessment/tested, that is an area we need to improve
 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?
 - No, we do not have a process at this time. We had an accessory display setup but it was back in the shop and the sales department weren't showing customers until after delivery. We are looking at our limited showroom space to see if a display is feasible.
 16. What would help you sell more accessories?
 - Having an accessible and visible display available for customers to see. Making sure the sales department is offering accessories on every delivery whether it's a new or used vehicle.
 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, we actually just updated our policies on returns in October and sent notifications of the policy change to all wholesale customers
 18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 - Not at the moment but that is something the GM is going to work on when he reviews the financial statements with the parts manager. We will also show how to make the calculations and track daily
 19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
 - This isn't a big issue due to the personnel size. If we discover something missing/wrong the first thing we do is backtrack the part to figure out where it went. If we can't find the answer, the part goes on a counter ticket and is expensed to the department

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 haven't tracked lost sales in the past but we started tracking in Dec 21 and will continue to improve our lost sales process so we have accurate tracking and have access to accurate data to make inventory decisions better
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- Right now, it is the service department. They seem to have trouble relaying the information to the customer. Whether its actually attempting to contact or getting in contact with the customer.
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?
- SOP. We had a poor SOP process in the past. Parts were being ordered with no real way to track who the end user was. That has since been corrected and the policy has been changed so SOP is controlled and monitored better. Also, direct shipments from the manufacturer lead to obso, mostly recall parts or accessories. The manufacturer, often times, will stick us with the parts even though we didn't necessarily order them.
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.)?
- 2/6 right now. We may look at adjusting that once we get a better handle on tracking lost sales. We currently use ARO as well which seems more efficient and we are also somewhat protected when it comes to returning parts that it recommends we stock
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?
- 9-10
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- The biggest thing that we could do is hire 1 additional employee to alleviate the current workload of the parts manager