

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)?
Our parts manager has attended Mike Nichols management seminars, Nissan North America management seminars and school of Hard Knock
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
**Vision statement is posted on the wall and all employees are able to see it:
"Coach me and I will learn
Challenge me and I will grow
Believe in me and I will win"**
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, always use DMS and OEM reports. Our current repair order FTFR is at 93.8%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
**47% RO
17% Warranty
.03% Internal
.05% Retail
.22% Wholesale
.03% Tires
.05% Oil**
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 run a cost over ride report to see it from DMS and they are password protected. Certain parts employees are allowed to do it for outside purchases.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Some senior parts counter staff and parts manager only.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are at retail pricing for internal. Our group establishes internal parts pricing policies through out all of our dealerships and 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?
We are above retail for warranty reimbursement. We are at 78.04% as of March of 2020, before that we were at 40%. Currently we are working on getting another warranty rate 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?
Yes, these are all reviewed during our weekly and monthly management meetings. All schedules are clean and up to date.
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, financial statement is given to parts manger by GM and reviewed monthly. We compare this to our composite report to make sure we are within district guidelines. Daily DOC is available to all management and 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 use a pricing matrix and make sure out counter pricing matches out shop pricing. We keep it uniform. They are checked frequently by parts director and parts manager.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
GM reviews all contents of our website. Coupons are updated weekly and monthly. We also have an internal group auditor who reviews all websites.
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 do have an eStore. Parts manager is responsible for eStore processes, parts order forms, queries, leads and answering 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?
Yes, parts employees are required to complete online parts/sales trainings on regular basis from internal group training portal and OE. Training is mandatory.

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?
Our sales staff are regularly trained and reminded to offer accessories to all new and used customers. Accessory brochures and online accessory portal are available to all employees. There are spiffs tied to selling accessory from store and Nissan.
16. What would help you sell more accessories?
Presenting accessories to 100% of customers, ordering new cars without any installed accessories to give us a chance to install them at the store and preloading cars with needed 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?
If the returns are over 10% then we ask wholesale customers to pre-pay and give them stiffer return charges. Wholesale customer accounts are reviewed weekly for sales, gross and returns.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
All parts staff including drivers are aware of our breakeven levels. Each parts staff are responsible for \$18000 in gross sales per month which breaks down to \$800 per employee per day.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
We use an excel workbook to track parts to GL variance. All parts managers in the group have the same process to fill one out once a month and once a year during 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?
Lost sales are tracked by parts manger thru DMS. At the moment the process is a bit broken but we are working on processes to ensure all lost sales are reported and staff are held accountable for reporting. We want all our counter staff to understand how important it is to report lost sales on any parts we don't have or even on parts the we regularly carry but don't have.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
The biggest obstacle at the moment is getting parts in a timely manner. When parts don't arrive on time, most of the time order gets cancelled. Another obstacle is getting customers in quickly to pickup or get parts installed in their cars.
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 is special order and returns from body shops. Our obso is low, we are at \$4371.40 currently.

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.)?

Phase in and phase out are determined through ASR (Automatic Stock Replenishment). Anything ordered through ASR is guaranteed to be bought back by factory.

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 dealer group offers lots of support for the management team. Our group is very process driven.