

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)? **None, self-taught. Have had to learn everything through webinars and training that Hyundai provides online.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Our mission statement in parts is to provide parts at a competitive price. Our professional and knowledgeable staff is willing to help customers with their parts needs.**
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? **Unable to access this in our DMS.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70%**
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? **Whole sale and Bodyshop pricing is set up in the DMS. A pricing matrix has been set up per account. Over the counter sales are set at list pricing.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager/Service manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal pricing was set up through department manager agreements.**
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? **Warranty pricing is configured each year based on Hyundai retail pricing.**
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? **WIP follow ups are done on a weekly basis. We have service as well as receptionist making follow up calls, email, and mailing reminders to customers.**

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)? [Monthly department reports are generated through accounting at the beginning of the month.](#)
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? [Retail pricing is updated through DMS based on Hyundai pricing, this is updated once a month if/when Hyundai changes pricing.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [We do not have a separate parts web page. Webpage is a dealer website.](#)
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? [No parts estore.](#)
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 done through Hyundai learning portal online. Parts manager and parts counter reps are assigned training on this website.](#)
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? [Yes, Hyundai offers a website for accessories. We also offer pamphlets on showroom floor.](#)
16. What would help you sell more accessories? [An accessory display. Adding accessories to showroom floor vehicles, spiff programs through sales.](#)
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, this is done on a monthly basis.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [\\$600.00-\\$900.00](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We do weekly counts of parts bins. A full inventory of the parts department is done and reported once a year.](#)
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, a part that is has not been stocked regardless if quoted or sold as a special order is counted as a lost sale.](#)

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Getting customers back in a timely manner to install parts before our return time period is up.
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? Obsolescence has been due to parts not being sent back with in our 45 day return policy with Hyundai. This is due to body shop customers returning parts after 45 days. We also had several years of one person working in parts. He was unable to keep up with the volume of parts coming in and out. Which added a huge number to our obsolescence. A big chunk has been cleaned up, we are left with 60k that we are still trying to get rid of.
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.)? All of this is done through Parts Eye. It keeps a good record of what is on the shelf that has not sold and what parts need to be returned.
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? 8
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Training service on selling more parts to customers. Better training on getting customers back in for special order parts. Holding departments accountable for their own procedures and allowing parts to deal with parts, not having to be the runner for other departments with take up time that could be spent delivering parts to wholesale customers. Better advertisement of accessories. Being able to have a showroom vehicle or new vehicles with accessories added.