

Parts Manager Conversation – Judith Parra PAG Class

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)? **Reynolds & Reynolds, OEM Lexus Manufacturing Certification, Chris Collins, Inventory Management trainings (FMC), Mike Nichols (Mitsubishi Motor Sales).**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, we do- "Maintain our customer for life".**
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? **Manually is not done- DMS report 2219 from R&R is used. MTD March 85.46%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **MTD March 70%(RO/Int/Warr)/30%(Counter/WS)**
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? **Counter person Override list report R&R (2542) is run in a daily basis and inspected by the Parts Manager.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Counter men and Parts Manager only.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Same as CP, policies are established PAG standards (35% guide) 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? **N/A**
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. **Yes, we are** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **Yes, on weekly bases** What does this look like? **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)? **Manager have access to R&R DOC and access to the bowser financial (Fixed operation tracking report) report form PAG, these is done on daily bases.**
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 used Matrix for retail parts for front and back counter retail and special pricing for WS parts.**
12. How often do you audit your dealership's Parts web page? **Every first of the month.**
How often are coupons, hours of business, etc., reviewed and updated? **Every first of the month**
13. Do you have a Parts online eStore? **Yes** How do you ensure that parts order forms/queries are responded to in a timely manner? **Our web page is managed by Dealer Inspire, leads are sent directly to Manager, and is monitor by time of response to comply with company policies.** Who gets the email leads/questions? **Parts Manager**
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? **Employees must be certified by OEM yearly training and 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? **Units are exhibit with accessories on showroom, display on our boutique, sales department gives a 100.00 certificate on each purchase to be redeem on parts department. Approach of other items and up sell is done at that moment.**
16. What would help you sell more accessories? **In our actual reality is availability. We try to maintain \$250.00 PVR.**
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? **% Discount is pre-set by customer, and no deviation is done, average gross on WS is 34.6%. this review on monthly basis.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **They have to sell +/- \$2000.00 daily**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Managers walk the binds at the time of stock order. Binds spot check is done thru out the week. Variance are analyze in detail by Parts Manager**

and adjustments paperwork is sign and approved by Parts Manager and dealer GM then giving to accounting to be process. Physical inventory once a year.

20. Are lost sales being tracked in your DMS? **Yes** Do you have a common definition that all counter people understand? **Yes** What is your definition? **If we don't have it off the shelf, item must be informed as a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Making customer returning to dealer.**
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? **Parts Boutique** What is the current dollar value of your obsolescence? **Current obsolescence is .6% (1308.67), PAG policy is to be under 1% obsolescence.**
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 - have demand in 2 months out of the last 9 month with a total demand of 3 pieces. Phase out- a part must have not demand for 9 month or have been inventory for 9 months, with and average demand of 1 piece. No OEM recommended program .**
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? **More warehouse space.**