

## 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)?

Luke attended class with me! He completes the required GM and Stellantis training as well.

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

Yes, it is the same as the dealership's, which is Exceptional Experience for Everyone Everyday.

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?

It has not been tracked manually (outside of the additional homework assignment). Our current FTFR Overall is 90.36% with them broken out by GM 93.95% and Stellantis 86.7%.

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

Inside 93% and Outside 7%

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?

There is currently no security set up in place in our DMS. However, our Parts Manager and Assistant Parts Manager by our policy can only change pricing.

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

Our Fixed Operations Director, Parts Manager, and Assistant Parts Manager.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

We are at 110% of retail for internal. Our pricing is current with our PM and Fixed Ops Director setting the pricing.

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 in a Retail Reimbursement for Warranty state. The last time we petitioned was 2013. Per Luke, we are happy with our current mark up.

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, our Fixed Ops Director and Controller recap WIP monthly. Our Parts and Service Managers review open Ros and SOPs daily and prior to month end.

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 not given to the PM. He reviews a fully parts DOC monthly and tracks pace weekly.

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?

Price is currently at MSRP. PM reviews sales analysis daily to make sure goals are being achieved.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

We audit the web page periodically. However, we review coupons, hours of business, etc. daily at minimum.

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 not have a Parts online eStore. Our PM and Assistant Parts Manager get the email leads sent directly to them to assure timeliness of response. When we tested our response time at class, our Assistant PM emailed my fake email address with 15 minutes.

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?

Our Parts personnel complete the required quarterly OEM training. However, nothing outside of the is currently required.

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 have the sales team offer accessories to all our new and used customers through our Insignia platform. We track how many of our customers get entered our accessory platform and compare to how many units got delivered.

16. What would help you sell more accessories?

We need to continue to hold our salespeople accountable to offering to any and all customers. There is some opportunity on used vehicles.

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 not something that has been done previously. However, this is something that Luke would like to do soon.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Yes, it is right around \$2,200 in sales a day per person to breakeven.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Variances are communicated at month end with a month end reconciliation. An annual physical inventory has been done, with planned cycle counts to be completed.

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, lost sales are tracked. The definition is, was there a demand, and did we fill that demand. If yes and no, then it is a lost sale. The Parts team will now reference the lost sales handout provided by NADA. This is now by all their computers for quick and easy reference.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

The biggest obstacle is getting the customers back to have SOPs installed if we cannot get them scheduled quickly enough. The more time that goes on, the harder is to schedule it.

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?

One of the biggest issues is a very large dollar amount in OBSO as a result of poor tracking from the previous long time PM. Another issue is the GM not allowing to return until 15 months from their RIM program.

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 is 1/3 and Phase out is 0/6. This allows RIM to do its job as well.

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?

Continue to train our staff and allow them to grow. Give them the tools and structure to perform at a high level.