

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)? **"I went to Mike Nichols seminars over the course of 27 years. I also went to Nissan's parts manager trainings - regular & advanced"**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Our parts department has a sign on their wall for the guys to read "Understand the power of teamwork — whenever you work with one or more synergistically, your power becomes exponentially greater than it could individually"**
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? **"No, but current June MTD is 97.7%"**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **95% inside**
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? **"Reports are ran for exceptions, but we don't limit our guys to do things...we trust, but verify"**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts associates, parts manager, and fixed ops director**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at retail pricing. Parts manager and fixed ops director established them, 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 cost+ 73 which is close to retail...we can't charge Nissan more than we charge the customer. Petitioned within the last year and a half since we've been at cost+73**
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? **We do not follow up with WIP with service & body shop managers. We only balance it at month end for payroll purposes. We do keep an eye on open ROs and CTs occasionally if we see payments come through that we can't post.**

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)? **Fixed ops departments discuss financial statement each month. We also have a daily doc sent to our leaders**
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 matrix for pricing strategy which is more than list price..we sell off the matrix as much as we can – we're looking for at least a 35% gross profit percentage as we can with the mark-ups. We check at least once a quarter, but sometimes every month or two to make sure our pricing 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? **"Rarely. Our dealership website is geared towards sales and service. In the past we have put specials, but people don't generally go to our website to parts."**
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 have an E-store through Nissan that sends the customer to their local dealership for purchase. They all get sent to our parts manager and he responds as soon as he can within our working hours. If he is off, he will forward the inquiry to ensure we respond asap.**
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? **Nissan will give lessons through virtual academy throughout the year that is mandatory. "We like to do on the job training."**
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 do not, because it's part of the NCAR program that sales should be doing with every customer. We stock accessories in parts, we don't sell them.**
16. What would help you sell more accessories? **"We don't have to reinvent the wheel, so we just need to follow the NCAR process and we'd sell more"**
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? **"Right now, we don't because we don't have enough to deal with. We only do about 5% of our business in wholesale and we don't have delivery drivers anymore. We are moving away from it."**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Parts manager: "I don't know. I don't look often because we are already exceeding that."**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? "We keep track on excel spreadsheet that we keep track manually per day vs what our GL did that day. We track purchases from Nissan as well. Filing claims for shortages, scanning parts, checking accuracy of bin inventory, daily postings to correct the inventory" The parts manager gets with me, Danielle, any time he sees a large discrepancy in parts to research what's been posted. A lot of the time, we are behind on posting invoices that are applied to our inventory accounts.
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. If it was a part that was inquired on, and for whatever reason you couldn't sell it, it's a lost sale. If in doubt, key it 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 the customers called and schedule to return and get the part."
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? Cause: "failure to get SOPs to get installed and misdiagnosis. Current value is around \$30 – 35k."
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.)? We are on ASR 2.0, Nissan's replenishment system, so we do not do phase in/phase out tracking ourselves. We don't have the criteria to track in our DMS
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? Parts manager = 10, myself = 4/5 after this class and talking with the parts manager
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? "We have all the tools to do the job in parts. We just need more staffing, which has been granted, but finding people right now is a struggle."