

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)? **The recent NADA Parts Academy training here in Ottawa. In House parts consultant training provided by the Myers Group. We believe that more training is needed for this dept.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not currently have one in place. We are going to develop and implement one.**
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. We have only used the DMS report. Currently our FTFR is 88%, as per our DMS report. This is a great exercise for the Parts Manager / GM to complete regularly using the template provided by NADA.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside = 79% / Outside = 21%.**
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 have a counterperson override report that is run daily by the parts manager. We also constantly monitor our GP%.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The Service Manager and Parts Manager are the only ones with permission to override parts pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Our internal pricing matrix is set to above retail. General Manager (myself) and Parts Manager (Angelo) established & implemented this policy and it is 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? **This is not possible with our OEM in Canada. The reimbursement is cost +40% which nets out at 28% GP. I have petitioned General Motors Canada for an increase on 3 occasions, including this year in February.**

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 close all our work orders upon completion of the work and on a bi-weekly schedule for our tech payroll. Work orders are closed upon payment. Open work orders / parts invoices are reviewed daily and usually only left open due to backordered parts and special order parts. We are comfortable and confident in this process.
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. We have a Finex financial report sent by the controller to each dept manager monthly. This is reviewed with the GM. We also have Monthly performance meetings with our group of stores that are dept specific.
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 have our retail matrix which is adjusted frequently. GP% is reviewed monthly and the parts manager makes changes as required to get out desired / forecasted gross profit.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? We monitor and make changes monthly to our website, including the parts specific pages. Our marketing dept makes specials on the website match our social offers (Instagram, facebook, etc.)
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 eStore at this time. The parts inquiries are sent to a parts dept email list that includes all employees. Responses are copied back to ensure the response was completed. General Manager is also copied on all replies. Coaching with staff is done regularly by management.
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? GM OEM training which is mandatory. We also have tire sales training provided by our suppliers and telephone skills training yearly. The Myers Group also performs mystery shop calls through a third party and reports are sent to each dept for review and training opportunities.
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 an accessory display just off the showroom. We also have the Accessible accessories page on our website for sales reps to use with retail sales customers. Every vehicle we sell is equipped with GM floor liners and wheel locks, no exceptions. Accessories are discussed on the dealership tour at time of sale and again on delivery.

16. What would help you sell more accessories? Display vehicles in showroom (when inventory is available). A complete buy in to sell accessories on the sales floor with every transaction.
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? Reviewed monthly for sales and returns. A regular discussion topic in our Myers group monthly performance meetings.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes. We use our DOC and financial statement to average out our daily parts breakeven amount by parts dept productive employees. We have a daily tracker sent out to parts staff so they are aware of the goal to breakeven and to achieve our monthly forecast.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Regular bin checks / counts. Monthly random parts counts by the GM and Controller. Any adjustments plus or minus are put on an invoice to 688 account.
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. We do have a definition that all counter people understand - If we have a request and do not have it in stock, this is a lost sale. The Myers Group has developed a flow chart to cover many different scenarios to track lost sales more effectively.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? The biggest obstacle are the appointment times for the SOP install appointments / lack of follow up from the BDC and Service Consultants. A much tighter process is needed. We are meeting with the BDC and Service Manager to get this addressed.
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? Body shop returns contribute to most of the obso parts here. Parts that are ordered and are end of life cycle, parts / accessories ordered in error and kept in inventory. Value was \$29,862 as of June month end.
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 = Demand of 2 times out of 4 months or been in inventory for 6 months with a demand of 0.5 per month. Phase out = no demand for 9 months. We use RIM to phase in questionable parts.
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. I will arrange training from our DMS provider

on the reporting functions on the summary so we can better understand and turn this into a 10!

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Regular and more frequent parts dept specific training! DMS training for the parts dept (ex. The reporting features). This is an area of the dealership that is usually last to get training. This will change moving forward.