

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)? **42 years on the job and that's about it**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **It is corporate vision statement, but their's Fill it right the 1st time, on time.**
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, uses schedule**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70 internal/30external which he feels contributes to lack of obso**
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? **He feels it is best to empower his people and they communicate. If he sees deviation, they discuss why.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts only. Service needs their authorization. Corporate could but don't**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, Corporate establishes, they are current to their standards**
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? **Currently doing an update on warranty. It is currently above retail per him**
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, works w/ controller monthly. ROs look good. He was actually going thru the RO eom when I went to see him**

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)? *Run few times a week. Review weekly & EOM. Review with Controller and director of ops*
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? *Watches the statement %s :example w/s 42-44, if off, dig in to see why quickly, if big job with little mark up or input error*
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? *He admits that is a weak spot. Relies on web controllers*
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? *He gets the emails He does respond but we get very few*
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? *No training aside from Kia University (which is mandatory and current) which he feels is not helpful. He does 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? *No, relies on sales. Have done several different things (price books, accessory stands) nothing seems to work*
16. What would help you sell more accessories? *Would need more sales more involved at point of sale*
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, watches the reports, he and assistant check history of returns and payments. He said he has had to cut off businesses. He does it face to face and tells them it is not personal. It is just not good business for us to continue a relationship.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *Uses XTime to track break even so yes*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Don and Darlene (his asst) verify and each person who takes a piece/part verifies accuracy against bin count. If off, they see if it's a miscount or missing. If minor, make adjustment. If serious (which he said has not occurred) they would go to director/controller*

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? No proficiently, parts Eye has off the shelf at 92.3%. There is a written policy on the counter for lost but he says it is gray and not always tracked the same by each. His definition is if a tech comes for a part and we don't stock/lost. Another business, same. If counter retail comes, we don't have, we give a price and offer to order. They "himhaw" and say they will let us know, not lost because who knows if they would have bought if we had it
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Service advisors not calling. Said sometimes customers unfriendly and service advisor remembers or customers get upset we don't have or for whatever reason and we order but they get it done somewhere else.
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? SOP for warranty never returning. He said obso value is \$8200
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.)? Parts Eye 3/9 is the guide but he does watch for discontinued and also works with senior techs to see whats happening. The example he gave is if they have a sensor that they have done multiple times in a month and can see it is a reoccurring issue, he will order because Parts Eye at 3/9 will not track at 1 month but the techs know we will need it
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 he has been reviewing it for 42 years. Although today is his very last day at our dealership. He is retiring 😊
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Develop a recruiting system to realistically incentivize quality personnel to the parts department. He said if I can figure out how to do that, I should sell it to other dealers and I could retire too. 😊