

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)? **Completed NADA parts class along with fixed ops director**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not have a well defined vision statement for the department or at an organizational level. The dealer group has a mission statement but is not well known by most employees.**
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? **In the past we have done this manually, but since have mainly relied on the DMS. Current FTFR is 89.3% according to DMS. This is not the same data we got from the exercise. Need to review this and track better.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **95% INTERNAL/RO/WARRANTY**
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? **Only select people are able to use this function and approval by parts manager must be obtained.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager and service manager. Parts manager checks often.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal is 45% over cost per corporate policy. This is an area that needs to be reviewed with our operations and fixed ops directors, the policy has been in place since we purchased the store and needs reviewed. We are going to change this using the correct mark-up factor to push this to benchmark of 41% on internals.**
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? **Warranty pays list**

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?

Parts invoices are closed at time of payment, WIP is handled by Service manager

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)? No, the financial statement is not currently shared with the part's manager. Going forward the financial statement will be reviewed monthly with the parts manager. Daily operating report is shared.

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? Personally owned dealership is list -30%, Frequent shops are list -25%, New shops LIST -20%. Walk up customers list +40%. This is not being checked often.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Auditing is done bi-monthly, but mainly only looking at "coupons/specials". We are not auditing details such as hours or usability very often. We discussed revamping our parts section on our website over the next quarter, including making it easier and more modern and allowing customers to purchase parts directly from our website.

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 but this is being discussed currently for multiple dealer group stores with the fixed ops director.

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? The only training being provided is currently through VW. Very little to no actual sales training. This is an area that we need to put focus on.

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 a sell sheet for every model that is presented at time of delivery by the sales and f&l departments. Customers sign off whether or not they purchase any. I also started accessorizing all new vehicles and has been working very well and earned us extra quarterly money through VW.

16. What would help you sell more accessories?

More coordination between the parts and sales departments – current promotions, specials, contests, etc. Also our display area needs a facelift/refresh and needs to be geared a little more to display fast moving accessories.

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, records are kept on each customer and reviewed twice a year and perhaps more often on problem accounts.**

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No. We went over calculations from class and discussed.**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do randomized bin checks. Variances are emailed to the controller and fixed ops director. This is an area we need to create an SOP for.**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **I found that this is an area we do not understand well. The questions were answered backwards uniformly when I sent this. The DMS tracks lost sales, however only if you are entering items correctly.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Poor communication. Parts manager says it is caused by service advisors not calling customers – the reality is it is caused by having no process in place. We will work with service manager and advisors to create a better process.**

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? **SOPs never being installed and not returned. About \$2500.**

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.)? **5 demands in any 3 periods out of the last 270 days. By comparing a Parts Breath report and determining to phase in/phase out a item. I am discussing this with both our parts manager and fixed ops director to make sure we don't need to review our criteria.**

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? **7-8**

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **More formal training for both manager and parts personnel. More communication with GM, service manager and fixed ops director.**