

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)?
Infiniti Launch Training. Mike Nicholes Inventory Management
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No**
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?
Yes. 92.69%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Inside = 65% of sales and 82% of gross
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?
Price override approval is provided by the parts manager, assistant parts manager, service manager or assistant service manager
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Only parts management or parts countermen can override a price on an invoice. I do believe the service manager has given, withing limits, the service advisors the ability to offer a discount on an entire RO line item
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Accessories are discounted from MSRP. All other parts are at MSRP. Executive management set pricing. 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? **N/A**
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? **I am not a party to WIP resolution**
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. Yes

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? **Matrix. We confirm margins during each monthly analysis**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Parts coupons are reviewed monthly. Austin (website) would be advised of any changes made by Casey (GM) to business hours 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? **Yes. We have a dedicated internet parts specialist**
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?
Infiniti has mandatory training. I check weekly to confirm that all parts training has been completed
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. This would be a question for the sales department
16. What would help you sell more accessories? **Higher sales volume of Infiniti 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? **Yes. Whenever returns become excessive**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$4652**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Total transaction posting. Perpetual Inventory. Bi-Annual physical inventory. All variances are invoiced and submitted to the office monthly
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. Yes. If you lose the sale because the part is not available at the time of request, then it is a lost sale.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
I suspect that the tiny number of special orders we have on the shelf are there because they are not critical to vehicle operation and the customers do not consider them worthy of a special visit.
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?
N/A. \$939.00 (0.14% of inventory)

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.)?

3 in a rolling 12. ASR occasionally needs prodding on particularly expensive or physically large 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? 9

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

My dealer has always provided whatever I need