

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.**

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1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)?

-Dan completed all manufacturing certification training (VW, Hyundai, Mazda)

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

- "Build lifelong relationships that **connect** families, **strengthen** communities and **personalize** the automotive experience"

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 not been logging first time fill rate as an organization manually. Currently we are at 79% FTFR. (Mostly oil changes).

-we will start manually watching first time fill rate because the system is skewed based upon input information (Garbage in, garbage out)

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

-85%/15%

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?

-Parts manager and Senior counter people have override pricing access

-We need to run an analysis on discounts per counterman to see if having the ability to price change is an issue

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

-Parts department personnel only

-We may need to only give parts manager price change and override access depending on results from question 5.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

-We are at retail pricing for internal. These policies were established by LaFontaine corporate team and Parts Director

-Let's make sure we are holding at retail and avoiding discounts from used car manager or service manager

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 above retail pricing on Warranty (Cost + 79%)

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. Reports are run and reconciled at month end to determine if WIP is justified for order to remain open.

-We need to make sure we are efficiently running reports throughout the month, so we know where we sit before month end as opposed to trying to close out at month close

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)?

-Revers risk is the analytics log.

-DMS input and metrics are pushed to Reverse Risk every 12 hours. This is a direct reflection to what is in the DMS. If there are things we need to dig in to, we use the DOC in Reynolds and Reynolds.

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 pricing on Customer Pay sales. Wholesale pricing is MSRP minus 20%. We double check pricing goals monthly.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

-once a month

-I look at the website weekly to investigate areas of opportunity. We present pricing for different parts on the website but no discounts. I look for areas that need to be updated.

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, we do not have a Parts E-store

-we will look at the inquiries and leads for parts daily. There should be notifications sent to counter personnel to follow up with the leads instantly.

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?

-Mandatory OEM certification training

-We will be implementing counter sales training. Phone training, in person training and ordering of special order parts, customer relations skills, etc.

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

-We do not have well equipped boutiques in any of our 3 buildings. We are renovating all buildings and will have a better stocked accessories department.

16. What would help you sell more accessories?

-Offering discounts at time of car sale

-Paying spiffs/ flats on product for salespeople. They have the best rapport with the customer and the ability to upsell while there is a potential wait.

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?

-Quarterly review of returns. Excessive returns equal smaller discounts

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

-NO

-\$1,932/ day (based on calculation from June)

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

-Perpetual inventories & variances are reported monthly via Reverse Risk

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 the inquiry was made and we don't have the part to make the sale

-there needs to be a specific effort to put all lost sales in the DMS. We can know what a lost sale is in theory but if we don't track it, we won't have proper info in system to stock properly

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

-For customers that order the part and leave in vehicle, we have difficulty getting them back in. This happens even when the customers pay for part up front.

-we need to set a weekly or monthly cadence for updates to keep customers engaged

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?

-Poor phase in/ phase out process. Returning parts when available. \$1,200 in total obsolescence.

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/ phase out was 2/6 to stock properly after buy/sell in July 2021. Previous regime did a very poor job all around. We recently moved to 2/9. We use Parts Eye.

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

-5

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

-Renovations of all 3 stores for better storage to stock more parts and have efficient boutique

-Training/ Process for counter salespeople