

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)? *Hyundai training*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *No. We have a mission statement- "To serve our customers with respect, humility, and excellence"*
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? *Never tracked it manually. 94.49% from Automate*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *85% Inside, 15% Outside*
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 advisors can change pricing due to extended warranty and insurance prices.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts manager and parts advisors. Not service advisors.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *We are currently at retail pricing and it is current. Allen Turner established a matrix pricing.*
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 47%*
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, we work together. We have a managers meeting every Monday morning where we go over items like this.*

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**
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? **Check daily on items and how quickly they are turning**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Weekly. Coupons are handled by service. Our marketing department is constantly editing and updating 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 have tried Amazon and Ebay but neither was worth the effort for us. Parts leads come in through our BDC and are given to parts advisors.**
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? **Hyundai has parts training and most of the courses are mandatory.**
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? **Sales team offers accessories during the sale and we offer them on our website as well. Brochures are in service as well.**
16. What would help you sell more accessories? **Having a better mix of items in stock**
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? **We reviewed them over the course of the past few years. The body shops are not profitable any longer for the most part due to competition from Serra (dealership in Birmingham) delivering the parts next day. Also, it's now harder to return items with PartsEye, 45 days, etc. Serra lowers the price below 10% over cost. We are now off of OEC Connect and Parts Traders because it was not profitable for us. Note: OEC is \$254 per month and PartsTrader was \$230 per month.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **120,000 / 4 people = \$30,000**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Only 2 people receiving Hyundai orders. Cycle counts done weekly and each of us do our best to notice discrepancies as we pull parts. We also have parts warehouse employees do bin counts weekly.**

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 only record true lost sales. If you don't stock it and miss a sale, then record it. If you don't stock it and the customer orders, don't record it.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Getting customer to schedule appointment to come back in for service.](#)
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? [We get less return money to send back parts with PartsEye than we did with smartstock. \(44K\).](#)
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.)? ?
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. Can always learn more!](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [I feel I have the tools to do my job well!](#)