

Parts Manager Conversation

Student: Taylor Ghesquiere
Parts Manager: Santiago Vega

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)?
 - No formal training with regards to seminars etc. Has had training from consulting companies that came in at the previous store he was with. But has mostly been all on the job training
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
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 we have tracked it manually. It is 92%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 70% inside and 30% outside. Have seen the outside number grow because our wholesale business is growing
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?
 - No controls, Parts Manager looks at each counter persons transactions and says something if they are discounting too often. We would like to be 36% and up and no one is at 36%. We are currently selling tires at cost (how the current tire program is formatted) so that is hurting us.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - It should only be Santiago the Parts Manager. But service manager and controller have ability

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - We are at Retail for internal. We just made that switch a couple months ago
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 yes. Unclear when the last time we applied for reimbursement was
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?
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)?
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?
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and 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?
 - Through eBay only. Tried to get Revolution Parts but Owner did not want it. Not really equipped for online sales at all. We think there is a big opportunity we just need the staff and the blessing from owner. There is no process for lead forms/email leads etc.
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?
 - Hands on trainings. No seminars. MB online training but no formal 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?
16. What would help you sell more 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?
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
 - Lost sales are not tracked in the DMS. We do not have a common definition currently but are working on implementing one. The reason we are not tracking lost sales according to our PM is that our OEM stocking system, StockPro, "tracks demand good enough"
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
 - A proper communication process with the customer regarding when their part came in and what they need to do to move forward
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?
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?
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?