

## 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)?

I (Carlos) would do vacation coverage for our previous manager (Rob), Rob taught me the ins and outs of how Richmond Parts works. I also went to our head office and trained with Skip (Manager at Head Office).

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

Our vision statement is 3 rings max on the phones and emails answered in a timely manner, all departments understand this.

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 never tracked FTFR manually that I know of. Our current Repair Order FTFR is 88%. That is were the RIM comes in.

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

Our business percentage is 2/1 (Inside 75% / outside 25%).

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?

We adhere to strict policy and procedures; a manager must authorize all changes. Manager also goes over all invoices daily.

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

Only a manager can make overrides and price changes.

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

Our internal pricing in is cost plus 10%. Polices are current and have been in place for many years.

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?

Our retail reimbursement for warranty state is cost plus 40% with exception to oil change which is at cost plus 10%.

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?

The Department Managers are responsible for making sure that all invoices/repair orders are closed out in a timely manner.

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)?

There are weekly meeting in place with department managers and end of month financials.

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?

Our retail pricing strategy is "Full Retail" whenever possible. Every invoice is checked by manager and all parts staff adhere to this system.

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

We review on a monthly basis our dealership's parts web page and update any changes accordingly, add promotions 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?

Our current website has an estore that is user friendly. Our emails are checked frequently throughout the day and customer inquiries are looked after immediately. We have a Centre of Learning in our GM Global Connect for training.

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?

We have polices and procedures in place to target 100% of our new and used customers. Customer are walked through the parts department and show what there is to offer to add on to their vehicle purchase. We have a computer on the parts desk that is customer accessible and user friendly. We also have display throughout the dealership.

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?

LPO's take away from selling more accessories. Offering spiffs to service advisors, dressing up the showroom has worked well in the past. Ordering less LPO accessories would benefit the dealership.

16. What would help you sell more accessories?

We review our wholesale customers regularly to make sure conducting business with them is in our best interest.

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?

I check to make sure that our parts salespeople gross profit sale is more than their monthly income.

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?

We do monthly bin checks on our inventory a few sections at a time, posting errors or items located in incorrect places

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

Our lost sales are tracked in toggle on PBS. Our counter people are familiar with our common definition of "LOST SALE".

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

Our biggest cause of frozen capital/obsolescence would be inherited obsolescence from previous management and wholesale customer returns. Our current dollar value of obsolescence is 13/24 months / 80,624 and 25 months & over / 113,373.

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?

Our phase in/out strategy is checking sales history (including check with our head office and other surrounding stores, if they stock)

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.)?

Our phase in/out strategy is checking sales history (including check with our head office and other surrounding stores, if they stock)

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?

On a scale of 1-10 I would say that my level of understanding of the information that is in our DMS's monthly summary would be 5.

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

More training would be beneficial to our parts manger to help them be more efficient.