

Parts Manager Conversation – Greg Cole (N408)

Duane is our parts manager

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)? **Twice to NADA parts academy/numerous Volvo parts training classes**
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. Duane says 83%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75% inside 25% 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? **There is nothing preventing them outside of Parts mgr reviewing the exception report which he does weekly**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts mgr and both parts counter employees. Service advisors and service mgr can give a discount on an RO which is split between parts and labor**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Duane (parts mgr). Yes, 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? **Yes, retail warranty state. Yes, we are and we literally just finished with Armatus to petition our OE**
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? **As for Duane our parts mgr, he does this with our controller more often than monthly**

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, parts mgr has access to the financial statement.**
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? **We use a matrix and the parts mgr checks it monthly**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly with parts mgr and our ad agency**
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, through simple part. And all 3 parts employees get the email leads.**
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? **Quite a bit through our OE and yes it is mandatory from the OE. Quarterly**
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? **Yes, sales person goes over and then it is revisited in F&I**
16. What would help you sell more accessories? **Display on vehicles in showroom. Staying on top of that is a problem for us once a showroom car sells and a new showroom car comes in**
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? **Absolutely, Duane says and monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **He does not know**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Ongoing shelf checks and discrepancies are taken to the controller directly by parts mgr**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **They are. We do and it is a part that we could have sold if we had it in inventory**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Someone calling the customer to let them know the part arrived/to schedule the appointment**
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? **SOP's and body shop returns. \$52000**
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.)? **Dictated by our OE and it is different by source**
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? **He says he cannot think of anything**