

## 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)?
  - a. TESTING THROUGH OEM'S, VARIOUS CONSULTANTS, NO SEMINARS, TRAINING WITH ADMI
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
  - a. WE DO NOT
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?
  - a. NO. DOES NOT KNOW OFF HAND AND HAS NEVER BEEN TRACKED BEFORE
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
  - a. 68% COMES FROM INSIDE VS 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?
  - a. PASSWORD PROTECTED DISCOUNTS
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
  - a. ONLY OUR TWO PARTS EMPLOYEE'S AND FIXED OPS DIRECTOR CAN DISCOUNT A PART. SERVICE ADVISORS CAN NOT.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
  - a. YES, MYSELF AND MY DAD ESTABLISHED THEM AND THEY ARE 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?
  - a. WE ARE ABOVE OUR RETAIL PRICING FOR WARRANTY. THE LAST TIME WE PETITIONED WAS ABOUT 2 YEARS AGO. WE LOCKED IN A NEW ONE THIS YEAR.

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?
  - a. YES OUR PARTS MANAGER WORK WITH OUR SERVICE MANAGER AS WELL AS MYSELF TO DO AN RO/WIP MEETING BEFORE MONTHS END. WE ARE NOT CLOSING ALL RO'S IN AN EFFECTIVE TIMELY MANNER ALTHOUGH WE DO NOT HAVE AN OPEN RO ISSUES. OUR OPEN RO'S AND WIP IS RELATIVELY CLEAN. PARTS INVOICES ARE STAMPED, DOCUMENTED, POSTED TO INVENTORY, FILED AND TURNED INTO OFFICE DAILY. SAME DAY TURNED INTO ACCOUNTING OFFICE.
  
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)?
  - a. NO FINANCIAL STATEMENT. PARTS MANAGER HAS ACCESS TO THE DOC TO PRINT EVERY DAY, BUT DOES NOT DO DAILY. REVIEWS DOC 1-2X/WEEK
  
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?
  - a. WE FOLLOW A PARTS MATRIX THAT WE JUST UPDATED RECENTLY. OUR PARTS MANAGER LOOKS WEEKLY TO MAKE SURE OUR GP% IS INLINE AND TRACKING FOR OUR GOALS.
  
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
  - a. HAS NEVER BEEN DONE. COUPONS HAVE NEVER BEEN 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?
  - a. WE HAVE LUTHERCUSTOMZ.COM AND ALL NECESSARY PARTIES GET EMAILS WHEN ORDERS ARE PLACED AND HAVE ACCESS TO THE BACK END TOOL TO MANAGER ORDERS. WE JUST SIGNED UP WITH REVOLUTION PARTS AS WELL. WE HAVE ALWAYS HAD AN EBAY STORE TOO.
  
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?
  - a. OEM TRAINING, ADMI, CONSULTANTS AND ALL IS MANDATORY. SALES SKILLS ARE NEVER TESTED, ASSESSED OR REFRESHED.
  
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?
  - a. NO PROCESS IS IN PLACE. WE ARE NOT REALLY INCLUDED IN ANY OF THE SALES PROCESS TO UNDERSTAND WHAT IS BEING SOLD AND WHEN.

16. What would help you sell more accessories?
- a. OFFERING THEM ON EVERY SINGLE VEHICLE THAT IS BEING SOLD. COME UP WITH A GENERAL LIST/HAND OUT THAT SALESPEOPLE CAN GIVE TO EVERY CUSTOMER. DISPLAYS THAT WE HAVE. PRE INSTALLING ON USED CARS COULD BE A WAY.
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?
- a. YES WE DO. MONITORING THE MARK UP % WHEN QUOTING OUR WHOLESALE BUSINESS BEFORE QUOTING.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- a. NO, BUT HIS GUESS WOULD BE \$7,500/PERSON IN SALES
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- a. BIN CHECKS FOR ACCURATE QUANTITIES BETWEEN OUR DMS AND THE BIN. YEARLY PHYSICAL INVENTORY. WEEKLY PARTS RECONCILIATION WITH AN EXCEL SHEET BETWEEN OUR PARTS AND ACCOUNTING DEPARTMENT.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
- a. WE ARE NOT TRACKING LOST SALES. ANYTHING THAT WE WENT TO SELL BUT WE DID NOT HAVE IT IN STOCK TO SELL.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- a. COMMUNICATING WITH SERVICE AND MAKING SURE THE ADVISORS ARE SCHEDULING THE CUSTOMERS AND GETTING THEM BACK IN IN A TIMELY MANNER.
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?
- a. PARTS NOT BEING INSTALLED WHEN THEY SHOULD BE DUE TO POOR COMMUNICATION. LOSING SIGHT OF THE PARTS AND NOT CHECKING INVENTORY AS MUCH AS WE SHOULD HAVE TO MAKE SURE WE RETURNED THE PARTS. UTILIZING ALL OF OUR RETURNED CREDITS.
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.)?
- a. WE ARE USING RIM FOR THAT. OUR DMS IS ALSO SET UP WITH A PHASE IN/PHASE OUT STRATEGY BUT IS NOT SURE WHAT IT IS OFF THE TOP OF HIS

HEAD. WE DO NOT HAVE A DIFFERENT STRATEGY WE FOLLOW RIMS AND OUR DMS.

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?

a. 7

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

a. A BI WEEKLY MEETING TO REVIEW COMPOSITE, FINANCIAL STATEMENT AND DOC TO MAKE SURE WE ARE TRACKING TO MEET OUR EXPECTATIONS. USING THE BI-WEEKLY MEETINGS TO ESTABLISH GOALS. MORE TRAINING WITH NADA OR NCM. MORE ADVERTISING THE CREATES RESULTS.