

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)?

Most of his training came from learning “on the fly” and absorbing all that he could from the previous parts manager who was transitioning out at the time. Our fixed ops manager helped out with that transition and was responsible for most of the training that he has had up to this point in time. Other than that, the only formal training he has taken includes a few Toyota parts training courses over the years.

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

Our Parts Department “Vision Statement” is specific to that department and is more of a mindset than anything. It contains four areas of focus:

1. Facility Environment 2. Know How 3. Emotional Connection 4. Eagerness

Our employees know it because it is posted all over the department walls and I would say they understand and abide by 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?

We have never tracked our First Time Fill Rate manually. Our current Repair Order FTFR is 39%

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

We are currently at 92/8 according to the DMS/Financial Statement but our parts manager guessed closer to 80/20 Inside 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?

Currently our controls are locked credentials via our Controller but our parts and fixed ops managers can both go in and change price/costs when needed.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts department via manager approval may override parts pricing per request from cashier/service advisors.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are marked up to List Price for OEM for Internal
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 have never petitioned for Retail Reimbursement for Warranty in our state.
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?
All of our managers in fixed ops review WIP documents on a monthly basis and verify invoices every single day. They are closed out at months end but the invoices are copied and kept on file for the parts manager to review daily.
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)?
The Financial Statement is given to the parts manager on a monthly basis. He focuses on net and total sales in addition to what are we selling versus not selling
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?
The price matrix in parts is setup by our fixed ops manager and has been in place for years. He continues to work with our parts manager to adjust it when needed so it is checked and reviewed upon on a consistent basis in order for pricing goals to be achieved
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Our parts manager rarely, if ever, audits our parts web page.
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?
For online parts sales/estore we rely on Ebay for the most part. Everything that is sent in via forms/queries goes directly to parts employees and whoever is available first will respond to the customer. Our parts manager also will review the vast majority of those 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?
Our available training isn't mandatory but we make sure our BG rep keeps everyone up to date on all necessary training. Our OEM also has us do online training via GM and Toyota. All of the "required" training is done ASAP but it is rare that our sales skills are assessed, tested, and refreshed on a continuous basis
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?
We have a process in place to offer accessories to all of our new and used customers. However, it often falls through the cracks and is left out of the sales process. We use the Interactive garage through GM and bring customers back to our parts department to take a look at all of their accessory options for their vehicle purchase needs.
16. What would help you sell more accessories?
Digital media and the sales floor would help us out a ton with increasing accessory sales. It needs to be an emphasis from the sales managers desk and consistently offered from the salesman.
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 do not do very much wholesale at all in our market but we do review our few wholesale customers on a monthly basis
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
We don't track breakeven sales per employee but put a hard focus on Gross Profit and aim for 110k per month
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Our DMS is our first box to check for inventory accuracy. We also do bin checks, use our scan tool and take year-end inventory to ensure the utmost detail.
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 tracked in our DMS but we have never tracked it anywhere else. Our parts manager's previous definition of a lost sale is: "If it is not in stock or provided it is a lost sale".
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
The biggest obstacle has been following up with customers and scheduling/reminding them to come back and get their parts.

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?
Currently our biggest cause of obsolescence is our Pace Programs. Our current dollar figure is \$93,109.97
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/phase out strategy relies upon our DMS settings and how we have it currently set up for stocking. We also rely on the TIPS Program to stock accordingly based on our past sales and current reports.
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?
DMS level of understanding: 6/10
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
As an organization we can do a more diligent job of diving into monthly CDK reports, communicating throughout the entire store, and sitting down for meetings once pre quarter to reassess how we are doing and tracking our progress.