

## 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)? **No real format training to be a parts Manager. Mostly had on training throughout the 16 years being with the company.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **The core principles of trust, quality and integrity in pursuit of excellence in customer service.**
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, never tracked FTFR.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **60% in the house vs 40% 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? **We have a policy that doesn't allow counter advisors to change pricing. But if a customer is asking for a price match we'll try and work with them so we can make the sale and it's on a case-by-case basis.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Managers should be the only people allowed to change pricing, but service advisors do have the ability to implement a different job code into the system that can change the pricing of parts. For example, if the customer provides a coupon for discounted parts and labor for a repair that we sent out or if Mopar sent them out.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, we're not at retail pricing for internal. The GM set the standard for internal pricing at 40% over cost and yes, it's 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? **Don't know the answer.**

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?

**On part end I do all the paperwork to make sure all the parts invoices are closed daily if the parts for the customer were given/delivered to the purchaser. However, I also work with the service manager to make sure all the RO's are closed in a timely manner because if a RO had an item with core deposit, I would like to return it as soon as possible to get reimbursement for the deposit so the part doesn't sit at the dealership for a long time.**

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)? **Financial Statement are given to the office on a weekly basis, I do a daily report of sale, gross on a doc sheet daily.**

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 have a matrix strategy in place but if needed to, we will go to MSRP pricing, and I daily check the report of sale/gross every morning.**

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **The dealership website is rarely audited by parts. Coupons change every month depending on the season or if Mopar has a promotion that is being sent out.**

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, we have Mopar e-store that we use for customers who purchase items online and we get emails for every purchase or inquiries. Emails are responded to during work hours. If the email is sent with an order after work hours, it will process on the following workday.**

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? **When first start you have a 3-month training course, besides the basic online training courses that Mopar require.**

**1<sup>st</sup> Month, it's learning parts numbers and location. Essentially you are a part puller/ stock person.**

**2<sup>nd</sup> Month, you are training on how to use CDK program and using Starparts programs to look up basic items.**

**3<sup>rd</sup> Month, you are working with customers and learning to work in a timely manner to satisfy the customer with their part needs.**

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 don't currently have a process to offer accessories to customers. It's usually on interaction basis because when the customer is**

to inquire for a part or have questions and then ask for a recommendation on what they should do to make the vehicle unique to their liking, but this usually would happen with new vehicle purchases.

16. What would help you sell more accessories? **Since we moved to our new location, we're still working on making the operations move/look better. But, with display cases or brochures, those will help because a visual presentation of items would make a customer inquire about accessories displayed.**
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? **Yes, it's a case by case if you've done a lot of business with us, then yes, you can return parts within a certain time frame. Now, if you order parts and then cancel multiple times without calling or returns parts every time you placed an order then your discount will decrease and if it continues then maybe it's not worth doing business because of all the cancellation and returns.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, the minimum goal is \$1000.00 each.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Currently I'm doing an inventory bin every week with at least 2-4 bins depending on how busy the day is. Variances are noted monthly with a reconciliation list.**
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 the DMS. Yes, we do have a common understanding about lost sales. My definition is unable to provide a service to meet a customer's needs. Sometimes it happens because of a delay from Mopart but also customers don't like the pricing that is being presented to them. We can only work with the price to a certain extent that still makes it profitable for us and still makes the customer happy.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication with the customer to have them come back whether it's in service and the customer left with the vehicle because it's still drivable. Service advisor's communication that the parts arrived but also the part advisor not taking the customer phone number at times to give them a call that the part arrived or informing the customer the parts will arrive the following day or time frame Mopar states.**
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? **The biggest issue with frozen capital is over ordering for the demand when it is needed to meet the customer's need. For**

example, when a vehicle is affected by a recall, we would order a lot to meet the demand for the vehicle affected. Now, when it comes obsolescence parts I don't consider them as a discontinued part, I consider obsolescence for me is anything over 12 months with no sale because it's just taking space and it's frozen in my inventory for not moving. At this moment is about \$30,000.00 that I consider obsolesces but in reality, it's about \$3,000.00 in 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.)? **The strategy I use is based on Mopar ARO strategy. I want everything they recommended because that's what we're selling here at this location. However, I go through the recommendations to see how many times I sold the item. Now, the phase out parts would push back to a few weeks or until next demand and then change their recommendations on ARO to phase the part out my inventory since it's not moving like what it was before.**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **More hand on training, to have a better understanding of certain side of the business with and what makes a manager be a good manager then to a great manager.**