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Class N4113
See Attached Sheet



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)?
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is 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?
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
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?
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they 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?
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?
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)?
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?

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and 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?
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?
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?
16. What would help you sell more accessories?
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?
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?
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
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?
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.)?
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?
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

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1. Nothing formal.
2. Yes “we are famous for extraordinary customer experiences, with people who are empowered to create growth and loyalty for a lifetime.” and “to be so effective that we are able to be helpful to others.”
3. Not manually, per OEM report: 01/23 = 88.6 % - 02/23 = 87.8 % for fast moving Mopar parts.
4. 33% with purchase allowance added to wholesale – inside \$84,516 / outside \$168,234.
44% without purchase allowance added to wholesale – inside \$84,516 / outside \$109,30
44% inside and 56% outside. Need to start tracking lost sale manually.
5. The policy is to follow the preset parts price level per the customer account type for customer pay transactions, for warranty or internal transactions follow parts pricing structure preset by the service advisor on the repair order line.
6. Parts counterman – yes, parts manager – yes, service manager -? service advisor -? This is too many people being able to change. Will set up in Reynolds the permissions.
7. No, internal price structure is cost x 1.9 or 90% markup = 47.4% GP. for general parts. maintenance parts, accessories, and tires are set at MSRP. Overall internal pricing structure was last established by Chris G. on 5/5/22 stating that internal GP. should = 40%.
8. We are above retail for warranty reimbursement, price structure is set at cost 67.63% which = 40.3% GP. It has been 2 years since our last increase, we are working to increase our customer pay GP. To be able to submit a request for a warranty increase.
9. Not that I am aware of, the service manager does an excellent job of watching WIP and closing RO's monthly.
10. Yes, I get a copy of the financial statement and have access to the doc, these metrics are discussed monthly / quarterly in our parts analyzer meeting, and in OPS review meetings. The doc is sent out daily at 4-4:30 to an email list and is looked at/checked daily.
11. Retail pricing is “matrix” which is set up as trade + 13% = 63% GP. This can be checked on ROAMS reports or in Reynolds reporting under Counterperson override list. I do not monitor these reports closely as our parts matrix is extremely aggressive, and we are in a highly competitive market with customers that are eager to check prices online or at other dealers. (I

need to dedicate more time to our current price structures by source before this is a usable tool).

12. Reviewed monthly, updated very rarely. This is an area that I believe we can do a lot better, a perfect example of this will be integrating our accessory sales tool, which we are now signed up with.
13. No. We have tried this before, and it was a nightmare, requiring constant monitoring, minimal GP., inconsistent pricing for our local market requiring us to price match our website for walk in retail customers, and high return rates resulting in many special-order returns to OEM consuming most of our return allowance.
14. Training is available from the manufacturer and there are quarterly requirements that vary by position. As a condition of employment, employees must complete ALL Stellantis training. This is also part of customer first.
15. This process is being reevaluated with the addition of our new accessory sales tool.
16. #1 would be a strong aftermarket salesperson. #2 would be a good, consistent process with our sales consultants.
17. Yes. Wholesale customers are reviewed monthly. We are fighting for growth in wholesale volume, so we are not cutting any accounts. We need to re-evaluate some of our wholesale accounts and see if we need to raise prices to make it worth it or stop selling to them.
18. No. This is something that I would be interested in learning more about, i.e., what factors are to be considered into the equation. We need to have a plan with this and start tracking each individual.
19. Periodic bin spot checks, when our count is off and cannot be justified by a simple posting error the difference is billed to parts policy.
20. Lost sales are not being submitted or tracked effectively. This is an area to invest some time in and create a good process.
21. In terms of wholesale the biggest obstacle is delivery driver availability in the afternoon as most drivers are dispatched to longer routes in the morning resulting in limited coverage for the afternoon. For repair / retail special order parts the biggest obstacle is getting the customer to return. (Not sure if this a fault of the customer, or if it is a communication failure between the service advisors and the customers. Either way there is little to no communication from the

service advisors to the parts department when there is an appointment that gets rescheduled, or a repair gets cancelled.)

22. The biggest cause of frozen capital is a result of special-order returns that are either non-returnable to the OEM or we simply do not have enough monthly return allowance. Our current obsolescence dollar value (over 12 mo.) is \$61,465.
23. Our current strategy is following Mopar ARO + collision for a group size 5 dealer, with manual additions by the parts manager to increase the OSF rate justified by emergency purchases.
24. 6. there is a lot more that could be done with the information provided.
25. Provide more space for staged / pending orders.