

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?

1. HONDA, YAMAHA, KAWASAKI, HARLEY DAVIDSON, NISSAN

2 NO

3 NO

4 90% That's

5 MY COUNTER PEOPLE ARE COMMISSIONED OFF OF THEIR GROSS PROFIT
THEY ARE FREE TO DISCOUNT HOWEVER ONLY ON A CASE BY CASE BASIS.
I MONITOR THEIR SALES DAILY TO ~~WATCH~~ ^{WATCH} FOR TRENDS

6 MYSELF, PART COUNTER EMPLOYEES AND SERVICE MANAGER

'OK' PER OUR MANAGERS MEETING VOTED ON BY THE GROUP

7 YES. IT WAS ESTABLISHED BEFORE MY ARRIVAL.

RETAIL PLUS 5% IF THE CAR IS SPUN IN 48 HOURS OR LESS

8 WE HAVE FILED FOR RETAIL REIMBURSEMENT FOR WARRANTY PARTS
AND SHOULD HAVE IT IN PLACE BY THE END OF APRIL 2023

~~299 TO 386 GP FROM~~ 299 TO 386 GP

9 YES WE REPORT WIP #'S TO THE CONTROLLER.

10 I REVIEW THE ~~BOOKS~~ ^{FINANCIALS (G/L REPORTS)} DAILY AND AT MONTH CLOSE
I RECEIVE AND FINANCIAL STATEMENT

JEFF I REVIEW NUMBERS 2-5 TIMES A WEEK

11 OUR RETAIL PRICING STRATEGY IS BASED ON A MATRIX + LIST.

OUR TARGET IS 40% GP SET ON 1/1/23 WE CURRENTLY RUN BETWEEN
35-38% GP AVERAGE.

WARRANTY GP INCREASE WILL HELP.

12 MONTHLY ✓

13 NO - WE STARTED THIS BUT FRAUD IS A HUGE CONCERN.

14 TRAINING IS AVAILABLE THROUGH NISSAN AND IN HOUSE. WE REVIEW SALES MONTHLY AND GO OVER SKILLS/PROCESS! ✓

15 NOT AT THIS TIME, WE JUST SET UP A SALES PROCESS VIA NISSAN NCAR DELIVERY APP PROGRAM

16 ACCESSORIZING NEW VEHICLES AND STOCKING MORE ACCESSORIES
SET UP A NEW CAR PROCESS SELLING ACCESSORIES AT POINT OF SALE

17 YES. MONTHLY

18 NO * ~~240~~ @ 40% GP?

Jeff I Set up A Monthly Goal Sheet for EACH PERSON.

19 MONTHLY CYCLE COUNTS. SPECIFICALLY ON HIGH TRAFFIC ITEMS. I SUBMIT AN INVENTORY RECONCILIATION REPORT MONTHLY TO THE CONTROLLER

20 NOT CURRENTLY

NISSAN PROGRAM & WE WILL SET UP LAST SALE TRACKING

21 ~~REQUIRE~~ SCHEDULING WITH OUR SERVICE DEPARTMENT. FOR COUNTER SALES WE REQUIRE 100% PAYMENT. THESE ITEMS ALWAYS GET PICKED UP IN A TIMELY MANNER ✓

22 PAST BAD PRACTICES. I HAVE IDENTIFIED THESE ISSUES AND HAVE PUT POLICIES/PROCEDURES IN PLACE TO CURTAIL THEM \$40,000 ✓

23 I USE NISSAN'S ASR PROGRAM TO ITS FULLEST AND MANAGE IT
JEFF DOES A GREAT JOB TRACKING THEM, 3/12 3/12 ACCORDINGLY

24 8

25 7

Jeff feels Empowered to do
his job & has total control to change
policy to Benefit our customers & Profit.