

Parts Manager Conversation – Rhonda Greenwood, Queenston Chevrolet

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)?

There has been no formal training just years of experience in parts. She has taken courses offered by manufacturers that she has worked for.

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

“Our mission is to completely satisfy customers, build lasting relationships, and earn long-term loyalty.”

3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS of your OEM)? What is your current Repair Order FTFR?

No we have not.

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

“I don’t know, I have never monitored those percentages. I just refer to the sales on the DOC for each category.”

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?

“Counter people use their own discretion when changing any type of pricing. If a customer asks for a discount they are not allowed to go below trade pricing. They know what my expectations are in regards to it and I never experience any issues with them abusing it. “

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

Parts Manager, Parts Advisors and Service Manager. Service Advisors do not have authority to change pricing.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

“Yes we are at full retail. They were set by previous managers 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?

The warranty state is set by GM and it is negotiable. It is set at cost plus 40.

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 in a timely manner? What does this look like?

I have never worked with the office manager/controller at month end. They do interact with the Service Manager though

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)?

I receive the DOC daily to go over the sales, gross profit etc.

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 pricing escalator in place for our retail customers. I check it on the DOC daily as well as the month end report.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

I have not audited the web page. We have a marketing team that handles that.

13. Do you have a Parts online eStore? How often do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions?

The parts department receives any parts queries online but we do not have an eStore.

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?

The parts personnel is required to do their training through GM and it is mandatory. Every quarter they need to complete the training to help maintain their skills and knowledge.

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 our Accessible Accessories website that customer can look at for the availability of accessories for their vehicles. It goes back to 2019 and newer. Anything older than 2019 our parts staff looks up in our parts catalogue.

16. What would help you sell more accessories?

Showcasing them on vehicles in the showroom so that customers can see them on potential purchase vehicles. Displaying them in the parts department (if we had more room to do so)

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?

Not on a structured basis but I will check them periodically. More so of the customers that do not do a lot of business with us.

18. Do you know how much each of your Parts salespeople must sell each day just to break even?

No I have never looked at that.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

I trust my staff that they are honest regarding inventory adjustments etc. One counter person will verify the count if it is off and I will verify that count. Then I will make the adjustment to the inventory. This is not communicated to the accounting office on a daily basis. They do see the adjustments at month end on the report.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

Yes they are tracked. Counter people base their lost sales on their experience with such things as vehicle, the part, how many times we may have sold it etc. In our opinion anything sold 3 times should be put into stock. I also rely on the RIM system to help me with parts that we have sold and putting them into inventory.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed and picked up?

It was having our BDC and advisors aware that the parts were here. There were no daily reports being printed. BUT NOW we have a new plan in process with reports and proper indication for service advisors and parts that they have ordered so the customer can be called and brought in for repairs. I also now run a report for my parts advisors so that they can call the customer to let them know their parts are ready for pick 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?

Obsolete over 9 months is \$76,438.55. One of the biggest causes I think is parts that become discontinued and non-returnable. GM changes up part numbers and the old number is not returnable. Obsolescence are not monitored close enough is another reason.

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)?

Phase in – sold more than 3 in one year

Phase out – months no sales 9 months and older

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?

I would say an 8.5

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

“For me personally, continuing to learn and train by working one on one with our service manager and to keep being able to take courses that would help me to learn more about Fixed Ops and being more profitable as a department. Learning better systems for a smoother running department.”