

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)
Honda Parts Management School and BMW Parts Management School
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No. What is hung on the wall is the Dealerships/Penske Vision statement of "Become the customers car company for life"
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. Has always used Reynolds. Current RO FTFR is 75.91%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Inside = 73.6%; Outside = 12.5%
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?
While parts counter people have full access to discounts, anything over 20% must be signed off on and all discounts must have notes within the system to explain why. Manager runs report 2542 every morning to review discounts from previous day and starts asking questions/reviewing notes on discounts of \$45-\$50 or more.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Recently, this was changed to Parts Counterman and Parts Manager only.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
No. GM sets pricing for and they have been updated recently.
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?
Not at retail for warranty. Normally we petition once a year.
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?

Yes and yes. Report 3613 is ran both in the beginning and end of month and the parts manager and office manager and controller will speak about any WIP.

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 not provided. Parts Manager will run the DOC (0422) every morning to review previous days work.

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?

MSRP + 3-7% markup depending on price. The lower the dollar value, the higher the markup as it is not that noticeable of an increase. The higher the dollar value, the less markup as you do not want to price yourself out of the market.

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

Webpage is not audited as there really is no individual webpage for parts. Hours of business are combined with service and coupons are mainly for service.

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?

Acura is currently transitioning from eStore to DreamShop and the transition has been less than smooth. The leads that were coming in via order form on the website were received by parts counterman although admittedly they don't pay too much attention to them because they found majority of them were spam. With DreamShop, they have not been receiving any email order confirmations and will log in on the interactive network in the morning to confirm if any order have been submitted.

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 training that is available to parts personnel are the trainings on the online university on Acura's Interactive Network. While it is encouraged that these are up to date, they are not mandatory. Skills are not assessed, tested and refreshed often.

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?

Yes, all new vehicles are installed with protection package inclusive of all-weather mats, wheel locks and trunk tray. Used cars do not have accessories pre-installed

16. What would help you sell more accessories?

Getting the website up and running accurately. Also, a review of pricing with the manufacturer to make sur that we are competitive with market.

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. Currently discussing idea of getting rid of the delivery company we use and requiring wholesale customers to pick up to save on that expense. These accounts are reviewed every other month with focus on those with high return.

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

No. This has never even been a thought.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Some sort of physical inventory is performed every day. Manager requires each counter man to count 3 bins/day. Variances are discovered at store level to make sure that we are ahead of any issues. Corporate Physical Inventory is done once a year in June where a 3rd party company comes in to count. That report is sent to accounting.
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. Definition is if we don't have it and don't stock it, 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?
Parts are ordered and BDC cannot get in touch with customer after the fact to schedule install/pick up. 2nd follow-up phone call is also lacking.
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?
Our obsolescence is very low. Currently at \$1,160.61 worth. (.5% of total inventory)
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.)?
Strategy varies depending on parts. Fast moving parts are ordered on a more regular basis with a min and max number identified. 3/6 gets a hit and a notice to manager to order. Interior parts will require more hits over a longer period of time.(EX: 3/7 for suspension parts and 2/12 for engine parts)
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?
10. "Been doing it way too long!"
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
Would appreciate access to make adjustments within Reynolds. This is exclusive to accounting privileges and manager feels that there is such a delay when an error is noticed that he could easily fix it and move on.