Parts Manager Conversation-Calavan KIA of West Atlanta (G.L. N409)

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)? Jeff, while having over 10 years parts experience and other than required Nissan & KIA training he has not any NADA or other platform training.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Yes. You can trust us to provide the right part, the first time at the right time.

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? Yes. Approximately 85%

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 13%

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? There is NO price deviation without management permission.

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

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Yes, Internals are charged retail. General Manager

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? Yes, May 2023 Petitioned by the Fixed Operations Director

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, this review takes place on Mondays during leadership meetings.

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 statement is reviewed with management monthly. The sales, profit and current DOC is reviewed weekly (Monday Leadership)

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? Jeff (Parts Manager) I use a pricing matrix that is priced for maximum profit and when aging or obsolescence occurs there is a maximum discount percentage allowed set by GM.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Parts Dept is reviewed and audited weekly and updated or changed as needed to be competitive and continue market relevancy.

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, this is managed overall by the Parts Manager, but each parts counter employee has sales access.

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? Sales training is ongoing and always necessary.

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? No, not currently. Our department is growing and expanding to our potential.

16. What would help you sell more accessories? Expanding our accessory store's visibility.

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? Wholesale business is reviewed weekly and managed monthly for future conduct.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes, I have an idea because I know my department, but George is on me to know my math and forget my gut.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? A copy of every R.O. that requests parts is attached to the order receipt and then checked against the delivered parts.

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, with DealerTrack. We consider a lost sale to be any sale not made for any reason at any time. This is our true report card.

21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? Contacting customers after the ordered part has arrived, prepaid or not.

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? Communication, lack of trust in the service department and the time to fill parts.

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.)? Monitor Parts Performance: Regularly analyze your parts sales data to identify parts that have declining sales or are becoming obsolete. This analysis can help you determine which parts should be phased out.

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? 8-9

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? More expansive Parts display and more information about how I can grow n the department.