

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)?
 - a. Parts manager has 20+ years of experience and has gone through various different forms of education from webinars and class setting learning.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - a. Haselwood auto group has a vision statement of "Creating remarkable experiences for each other and our communities, with integrity, respect, and loyalty". Our parts department does not have its own.
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?
 - a. No, we do not currently track FTFR manually. We use the DMS. The current RO FTFR that I calculated came out to 97.83%.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - a. Inside is at 82% and outside is at 18%.
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?
 - a. To change the price of anything other than what is in the system you would need to have the manager's passcode. So, every time the manager is aware of the situation.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - a. Parts pricing can only be changed by parts manager and the back desk assistant parts managers.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

- a. Our owner established the parts pricing policies, they are current. We are at retail pricing.
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?
 - a. We are applying again in September to increase our warranty reimbursement. We currently are not at retail for 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?
 - a. Yes, when there is anything left opened or taking longer than usual it is caught by the accounting department when they run their schedules. Emails are sent out to all department heads and we gameplan on when and how it will be completed.
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)?
 - a. No, we do not give the parts manager a financial statement. There are separate reports that he will print off every morning that the COO has created to track sales and gross and month over month and year over year numbers to help the parts manager track how his department is operating for the month.
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?
 - a. Our pricing strategy is to be competitive with our local as well as manufacturer competitors' pricing. Every once and a while we will call stores to get their pricing information to make sure we are within range to make sure that we aren't giving away gross but also not so high that we are losing business.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - a. We have a marketing and IT department that tends to our websites as well as making sure coupons are up to date and that all information for hours of operation is correct. However, this is a good question because neither my parts manager nor I have not spoken with the those departments about how often they in fact check this.
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?

- a. I thought we did but during our exercise during NADA class my inquiry has yet to be answered on purchasing a part from our website. I have spoken with the parts manager and we are investigating the cause with IT.
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?
- a. Training is solely with the parts manager currently. Trainings are not currently mandatory, and sales skills are never brought up or assessed. I spoke with the owner about sales training, and he told me that they have attempted that in the past but it never works out. He cited that the personalities are not suited for sales. He said that we could train on it every single morning but he would not want to risk a mass exodus from his parts counter. My idea would be to transfer calls to the service advisors; however, we do not currently have the tools at our disposal to get customers accurate numbers as an advisor. Thus, we would need to either give advisors access or continue training parts counter on sales.
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?
- a. We have a process to offer accessories to every new vehicle car buyer but we do not have anything for used vehicles. Once the new car buyer accepts to purchase a vehicle before they go into finance our salesmen go through our accessory page on the computer and mark what they want to purchase. If anything is purchased, then while they are in finance, we have a technician install the part or we order the accessory and create an appointment for them to come back and get it installed.
16. What would help you sell more accessories?
- a. We could create a more seamless web page that would include used vehicles. Enacting just that alone would heavily increase sales. Another option would be to have a walk-through accessory area in the dealership that the salesmen or the finance manager would take their buyer through on the way to the finance office.
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?
- a. Yes, we review this information. We review this on a monthly basis by doing a month-over-month review and year over year to make sure pricing and cost has not changed drastically.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- a. Yes, we calculated this in class. We have 9 parts employees and based off of the numbers we ran we would need each employee everyday make \$2,583 in parts sales.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- We check in inventory each morning through parts wizard. While that is taking place the parts manager is writing part number on the invoices and scanning that to the accounting office for them to match the dollars with the inventory. There are cases in which one is missed and yet the accounting office can find the unaccounted money and they email the parts manager who goes through his invoices to find the discrepancy.
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, lost sales are calculated in our DMS on a report that takes seconds to print off. However, even going through the parts class lost sales is a difficult thing to define. However, I would define it as a part that we did not have instock and had to order.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- We do not struggle with Special order parts. We have our guests purchase the SOP upfront before we order. If the guest does not come back to pick up the part or get it installed, we mail it to them.
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?
- I feel that our biggest cause of obsolescence is from wholesale and shop returns. The current value of our obsolescence is \$9,913 this figure includes technical obsolescence and potential 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.)?
- My parts manager runs a report that displays the exact quantity of parts sold throughout the month. He decides which parts to begin phasing out and if we had to SOP more than 5 or 6 times, he would consider phasing in more of that inventory. Balancing act is as soon as we are able, we send aged inventory back to manufacturer.
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?
- Our parts manager understands it up to a 9. For myself, I would give it a 5.
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

- a. To provide on-phone sales training. Not necessarily to increase sales a lot but to give them the tools to give the consumer a fulfilled answer to their questions and to leave the call fully educated and possibly made an appointment! Another thing would be to update the technology, no sticky keyboards from the sales department.