

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)?

No formal training. Recently Ken has been coached one on one by our director of fixed operations but no formal training.

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

It is currently being rewritten but our core values represent the vision well.

- We will continually make it easier and easier for customers to business with us.
- We will continually make it easier and easier for our associates to sell our products and services.
- We will have a relentless commitment to our process, with continuing improvement.
- We will continually help everyone around us to prosper.

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 we do it manually in our store frequently. 97.88% but my understanding is that we have not been reporting lost sales which is impacting this greatly.

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

10%- counter/wholesale

90%- Inside

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?

Only our parts manager and dealer group fixed ops manager have access to this.

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

Parts manager, service manager, service advisors

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

Yes. They are not current. They are in place from previous management and now that we have a new service manager coming in, it is time for a revamp!

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?

N/A

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?

We have a WIP meeting weekly and cash meeting weekly. They do but there has been a large number of Volvo service ROs that were delayed in being written off but have since been handled.

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)?

No, now that we have a new controller and I have completed the parts portion of NADA I am extremely interested in implementing this.

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?

Prices are set with a very small list of loyalty customers that receive up to 15%. This is something that my new service manager and I will be working with Ken our parts manager on.

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

1x month- not often enough.

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?

We do not but we are exploring creating one for our McLaren aged obso. Our sister store is working on getting this up and running. I am in the process of getting our accessories online

because we do not have the square footage for a boutique. This will be available on a tablet in the drive and advisors must present before checking in.

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?

There is no training at this time. I will be looking into the options available. I know we have been using our NCM rep for hosting our internal 20 groups. Last class helped me better understanding how little training our parts personnel receive over their career and the similarities between parts counter and used car sales. Sales gets all the attention, praise, and training while parts has been neglected in terms of training.

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 do not- but this online accessory digital web menu will not only be offered in the service drive, parts counter, but also at time of vehicle sale.

16. What would help you sell more accessories?

I believe finding space in the showroom is important even through it is limited and this digital parts menu.

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?

No, it is not tracked but something that will be implemented with the new service manager/director coming in.

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

No

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

Weekly meetings with the business office to communicate on the variances when found, proper audits, reconciling accounts.

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

They are currently not being tracked but we just had an in depth meeting last week about the definition of lost sales. I anticipate this improving over the last few months.

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

Communication and follow through from our service advisors.

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?

Track tires and old parts from unique hypercars (McLaren P1)

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.)?

There is no strategy at this point and it is something I will be diving into with our new manager over coming months and requested this be addressed in our internal 20 group.

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?

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

We need to provide training opportunities for our parts manager and his team as well as provide more acknowledgement for their success and future planning.