

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)?
20 plus years in the parts dept. 5 years as a parts manager. I have taking some Parts manager classes from Mazda. I also completed a NADA parts manager class in 2020.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
"THE CAVALIER MISSION" To continuously exceed the expectations of our employees, customers, and community.
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, 79%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
65% in house and 35% make up wholesale and counter sales.
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?
I do not have my guys setup to prevent price changing. I track it on CDK now using the overrides and exceptions report.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Just my 2 counter guys and myself.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
No, they are at cost plus 40%. They are current and recently setup by myself and our GM.

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?
We are currently in the process of getting it done. I have been in the position now for 5 years and this will be the first one. I had to increase our customer pay a few months back so we could get more.
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?
Myself and one of my counter guys run the ROO report on cdk once a week.
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, we use accessa to track it.
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 price matrix setup. I will call other dealers and shops to gauge where the area is at with pricing.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
I need to do a better job of making sure I am staying active on our website. I only update it maybe once a month.
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 have a website through Revolution parts that my guys and myself are fully involved in. Emails and orders are taking care of promptly.
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?
We have training that is required by Mazda every quarter.
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, we have cars in the showroom outfitted with accessories, sales people are trained and paid on to up sell accessories. We probably could do a better job as a whole making sure we are all accountable for selling and promoting the accessories and not just relying on the sales dept.

16. What would help you sell more accessories?
With Mazda they do not offer a lot of selling aids to display around the dealership. I have been with other companies before where accessories are a big deal. This is something that Mazda is working on. I feel if we had a boutique it would probably help little more.
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?
This is something that has really become an issue lately with one of our biggest wholesale accounts. They recently asked for a larger discount that was offered to them by one of our competitors. Currently in the process of going through and seeing if the account is worth keeping.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
Yes
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
We complete bin checks weekly, run no bin report. If there are discrepancies I notify our office manger.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
We need to do a better job as a dept on recording lost sales. My guys understand what a lost sale is, I just need to do a better job of reinforcing it.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
The biggest issue we have is getting the customers in, and making sure we are doing everything in our power to make sure the customer is being notified the parts are here.
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?
Returned parts from body shops past 45 days. Incorrect parts being looked up or techs guessing on what to order to fix the car.
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.)?
We have parts eye that takes care of our stock orders and stocking criteria.
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? **5**

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

More training, and I need to be more assertive as well on reaching out to get the help I need.