

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.**

PARTS MANAGER - CRYSTAL TIBURCIO

1. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
- No.
- No, we're actually working on a group wide vision statement.
2. 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 I always use DMS. Current FTFR is 94.6%
3. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
- 39% of our business comes from inside and 46% comes from outside. Not including tires.
4. 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?
- Countermen are allowed to adjust pricing under certain circumstances.
- The price override needs to be approved by the Parts Manager. Discounts are only given if the client has a coupon, or if they have proof someone has it for less. Their pay is tied to gross, the more they discount the less they get paid.
5. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
- The only person who can override pricing is me (parts manager).
6. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
- No, we charge cost + a percentage. That is set by the Fixed Ops Director of the Empire Automotive group.
- No, it's cost plus percentage. The percentage depends on the cost and part. There is a tier system.

7. 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 started the petition three months ago, just got an approval for increase two weeks ago.
Cost + 103%.
8. 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 access to FS but there is daily doc.
-No. but doc is available and reviewed daily. No access to FS
9. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved?
-I check gross profit percentage monthly. Minimum of 40%
10. 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, the leads go to Parts Manager. What if you're not here?
-Checked daily, I get an email any time there is a new order. If I get emails at home, they're done the very next morning.
11. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed?
-Audi has an online academy, the parts counter men have quarterly certifications that need to be completed. Before they begin they must complete a series of test.
12. 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, customers are offered aftermarket warranties, but no accessories.
13. 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, they are reviewed monthly. (HE was actually in the middle of the report) Return percentage threshold is 15%.
Highest account is YTD a littler \$300k and return percentage is less than 5% (4.5) to be exact.

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

-We do a perpetual report at the end of the month.

15. 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?

Aged inventory, parts are on a life cycle. Our current obso value is \$22,652.62

16. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)?

-Not sure

- Phase in & Phase out comes from Audi Parts Rep. Bonus based.

17. 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, I look at that summary every month for the last 23 years. It's all activity, purchases, sales, obsolescence, core, inventory movement.