

## 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)? **Mandatory updated quarterly Kia certifications, in addition to 2 decades of parts experience. Began parts career as driver, gradually elevated to shipping and receiving/warehouse and ultimately worked the parts counter and became Manager.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **"Kia, our job is to provide you with the same exceptional level of service that led you to purchase a Kia vehicle in the first place."**
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? **Typically done through DMS system tracking via lost sales.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **50 to approximately 55% of our business comes from Internal, RO, and Warranty. The other 45 to 50% are split between both retail and parts wholesale.**
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? **Parts counter people do not have access to make internal changes to pricing guides, only manual overrides when quoting and/or billing parts and only if instructed to. There are also parameters in place from DMS controllers who run price tape updates daily for parts.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The Parts Manager is solely responsible for pricing changes and/or inventory adjustments.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **CFO/upper management and directors for fixed ops control Internal aspect of 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 reimbursement petition was successfully filed over a year ago.**

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? **Parts and Service Managers are in constant communication with service advisors and technicians and office personnel daily, making sure all work in process is functioning properly, ie: Technicians receiving parts in timely manner, updating customers about diagnostics and/or backordered parts status in addition to closing out and collecting on any pending invoices and repair orders.**
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)? **Parts manager has month end summary report that has to be completed that details sales, gross, expenses and financials to accounting department for assessment provided by DMS system.**
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? **This is reviewed every 15 days via DMS system, to make sure we have an accurate assessment for necessary changes to help increase parts sales.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Typically, it is reviewed by service and parts managers quarterly, particularly regarding accessory sales and service installation price guides.**
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? **No parts online store, however, we do receive parts leads from call center via email. We create price quotes based on customers information and respond within 24-48 hours.**
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? **Mandatory training is done quarterly per OEM manufacturer in addition to refresher courses provided by the parts manager during the same period.**
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? **Our most effective way of offering accessories is on pre-delivery inspection on vehicles. Gives us opportunities for customers to gain visual of an accessorized vehicle for greater chance at an accessory upsell.**
16. What would help you sell more accessories? **Perhaps access to an online store with updated prices for customers that would rather shop online than leave the comfort of their home.**

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 reviewed by the parts manager on a monthly basis. Business is measured by how often a wholesale customer reaches out to dealer vs aftermarket and competition.**
18. Do you know how much each of your Part's salespeople must sell each day just to breakeven? **When forecasting, it is imperative to make sure everyone in the parts department is aware of the expectation to match or exceed said forecast.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Monthly section inventory including "spot checks" or bin counts. Special order parts are reviewed every 20 days to not only make sure we give the customer ample time for installation but to also confirm that we are within the allotted return time for parts credit.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Any lost sales should be written down and entered by the parts manager as for inventory control.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customers lack of responding to requests for installation in a timely manner. Unfortunately, we are bound by the factory with a 25-30-day turnaround for a parts credit if a customer should show for service.**
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? **Collision repair parts are by far the biggest influence of the dealer's parts obsolescence issue. In most cases they are the bulkiest and more difficult to house not to mention more expensive when compared to smaller mechanical items.**
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.)? **This aspect is greatly measured through Partseye, which enables the parts department to make sure stocking levels are adequate with fast-moving items.**
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? **6-7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Communication is key in helping all aspects of the dealership become more successful.**