

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)? **Only training from Ford has been at seminars and online. All other training has been from previous parts manager and on the job experience.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **The dealership doesn't have a vision statement.**
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? **Never manually, just through Reynolds: 93.6%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 65% outside 35%**
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? **My parts manager empowers his employees to make the correct decisions when it comes to pricing as every customer / situation is different and they have a feel for the situation and what needs done to get the business. Their pay checks are tied into the profit of the department, so selling parts at the highest price possible is advantageous for them as well.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The only people that can change the price of a part is the parts manager, service director, counter people and the GM (myself).**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **All internals are at 25% over cost. The owner established this and yes they are current.**
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 not at retail, we are 70.3% on warranty parts. Within the last year.**

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? My parts and service director is the one who handles all the WIP. He works with the controller monthly on this.
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)? My parts manager gets a copy of the financial statement but hasn't ever sat down with anyone to go over it. Now that I realized this after doing this conversation, I will make the change to going over the financial statement with him and my controller monthly. He gets a copy of the DOC daily.
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? Retail pricing has to be competitive with all the different avenues customers can potentially go down to find what they need. Discounting the part is a common occurrence unfortunately to stay competitive. Customers now more than ever already have a price from somewhere else when they are calling in and having to overcome those objections is a daily battle.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Daily. The parts manager doesn't make changes to the web page. If he has an idea of how something should look or say then we discuss it and make the necessary changes. Hours will be changed on the website by myself when we change to winter hours for 3 months.
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 but no one uses it. Everyone uses fordparts.com. If we do get an inquiry from the estore an email gets sent to my parts manager and he hands out accordingly.
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? Other than the mandatory Ford Motor company "stars" training that every fulltime employee has to take in their respective job role, there isn't any other skills training. Their sales skills aren't assessed, tested or refreshed. Now that I think about this, I need to find / do better at getting them trained in selling. Can you recommend any outside parts 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? No. If a salesman has a customer that wants accessories, then they bring them back to order what's needed. This is partly due to the salesman not wanting to raise the customers payment any further than they already have them at.

16. What would help you sell more accessories? *Theres only a few salesmen that even bring their customers back to the parts dept. If every salesman would mention the parts department and the accessories to every customer they sell, then by default we'd sell more parts.*
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? *My parts manager runs a NAD report every month and looks to determine who's buying what, how often and how much they are returning. This also can be a daily review as everyone in the parts dept talks to each other and they all know who's coming for what parts and how often.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *No, he didn't know. I will be showing him the "break even vs actual" calculation to show him the daily amount per employee.*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *He does bin counts weekly but doesn't communicate any variances to the office.*
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? *Not all lost sales are reported however with us switching to a new system here in a week we should have the ability to report all lost sales going forward.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Getting the advisors to get the customers back into the dealership to have the work performed.*
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? *Body shops and wholesale shops holding onto parts too long and then needing returned back to Ford. We currently don't have any obsolete parts on our shelves.*
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.)? *If a part doesn't sell in three months he phases it out and the same goes for phase in. He relies on RIM for accuracy.*
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? *7. He acknowledges he could improve in this area.*
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? *Getting customers back into the dealership in a more timely manner to install the parts we have waiting for them here.*