

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)? Audi Canada training as well as I just started my NADA training. **Audi Parts master. Just started NADA**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Not yet. **Working on one with parts manager and will roll out at next parts and service meeting.**
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? Not officially **Went over the 25 Ro's I watched for a FTFR of 68%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 32% RO 23% warranty 32% internal Counter Retail 16.7% and 12.6% wholesale **Same as what he reported**
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 parts manager has approval to override parts pricing and views reports daily. **Parts Manager is the only person with permission**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Only parts manager. **only the parts manager can do this or GM**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Retail pricing, policy is set by Parts Manager and GM and are current. **Sales pays internal and this is set by myself and the PM**
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? No were in Canada and we can apply for an increase each year. **Same as what he said**
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? Yes parts manager is responsible to get this reports to accounting by the end of each month and

then parts manager and accounting go over these together. All invoices can only be signed by PM. **This process is followed by our entire group every month**

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)? They review the Doc and then are given department statements at the beginning and end of each month. **Each department has access to there set budget and to the Doc also department statements are provided monthly from accounting.**
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? Pricing is set by the group and parts manager reviews this monthly. **Pricing is monitored and set by our CFO and parts manager as well as GM review the monthly reports**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? It's updated by our marketing department. **We have a marketing company make the changes set by the parts manager**
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 Store but a parts query page that goes to PM and GM. **Parts leads go to PM as well as myself**
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? Yes Audi has mandatory training targets set for each parts person each year with tests and it gets refreshed yearly. **Audi Canada academy yearly that is mandatory as well as our group meetings monthly**
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 do. We have a top accessory list that is shared with each customer as well as a parts department hand over introduction. **Every customer is introduced to parts as well as a list of top accessories are provided**
16. What would help you sell more accessories? Availability and selection from Audi. **More cars with accessories installed in showroom**
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? Yes, PM reviews these weekly and monthly to see where they are tracking. **GM follows up with PM monthly on this topic**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes my GM has shared this with me \$5450 **\$5450 as per my NADA report**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? I perform 4 inventories a year and do random bin checks and report back to accounting as well as they come and do random bin checks. **Parts holds 4 inventories per year with accounting doing spot checks and final review on count sheets**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Yes, but looking at changing process. **Process is changing as per one of my action plans being put in place.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Having Service Advisors calling customers **Shop capacity and getting service to follow up with customers to get them back in**
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? The Biggest cause was previous PM ordering parts that we are stuck with and causing us to have just over \$40k in obsolete parts as of today **Previous PM ordered parts and sat on them till they couldn't be sent back which causes us to have high obsolete parts**
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.)? currently set to 3 hits in 9 months and I monitor trends daily weekly and monthly as well as Audi TSB and warranty recalls. **Parts is set at 3 hits in 9 months and PM is asked to look at current trends as well as speak with shop foreman to see what is coming down the pipe with Audi**
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? 8 but with NADA training hoping to be at 9.5 or 10 **I've been around for awhile now so I'm gonna say 9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Keep offering the NADA training as well as share best practices between our dealer group. **I'd like to see staff continue with NADA as well as Audi certification to hit master level and attend our groups department meetings**