

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)?
 - a. Our parts manager has been in the business for 27 years but has only been the manager here for 2 years and does not have any type of training.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - a. The vision of our entire company is changing the automotive dealership by giving the customer a healthy and authentic experience for our customer and employees. Yes they are all aware but we have made some changes on getting the right staff in our parts department
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?
 - a. Yes and it is at 73%--
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - a. 86% comes from inside and only 24% external our store is not big in wholesale business
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?
 - a. It all depends on what access each employee has which is set up by our parts manager
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - a. Service director and service manager can. Also our parts manager. No other person has to access to do that.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - a. No we are at 33% markup on everything internal

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. Yes we charge the most the OE will give us for all warranty

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?
 - a. Yes at the end of each month. Our parts manager and controller sit down and go over WIP to configure an accurate amount.

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)?
 - a. No the parts manager does not review the financial statement. The sales gross and profit is reviewed everyday with the parts manager and service director everyday.

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?
 - a. Retail price strategy is based on a matrix that is given on how much each part is. It is checked every two months to confirm we are still be competitive.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - a. We do not have a parts web page. Our coupons and hours our audited every month by our service director

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?
 - a. We do not have a parts e store. When we get emails or leads on parts the lead is funneled into our BDC and addressed there.

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?
 - a. Every year they are required to complete all their tests from the OEM and it is mandatory.

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?
 - a. Yes we do and it has improved drastically over the years and has been doing well.

16. What would help you sell more accessories?

- a. Having some different personnel on really pushing aftermarket. We recently hired a couple new parts counter employees that are more trained in that department
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?
- a. Yes every month. It is really the big accounts because they have the most to lose.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- a. Yes and it is about 1200 a day for each of our staff
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- a. We do random audits on bins on a monthly basis and then a yearly audit of our entire inventory on a year basis.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
- a. Yes we track it in our DMS and all of our counter personnel is aware of what a lost sales it.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- a. Customer coming back to pick up their part or scheduling 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?
- a. Obsolescence at our store is around 20k and the biggest problem is ordering too many accessories part with the intentions that they are going to sell quick and they do not
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.)?
- a. 3 hits within a 9 month period.
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?
- a. 9 very good understanding of the monthly DMS summary and uses it all the time.
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- a. Continuing being supportive and communicating with the parts department on how he can continuing on growing and becoming better