

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)?

- 30 years of experience with Ford Motor Company and training.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

- We strive to stay consistent to not only our employees but our customers.

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?

- 90%, yes both manually and in the DMS to see how they compare.

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

- 75.6% inside, 24.4% outside

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 managers have the ability to change a pricing matrix.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

- Only parts managers and the service manager if needed.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

-Yes we are at retail pricing for internal. Our parts manager Jeff Denyes established our policies and they are reviewed twice a year.

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 we are not at retail for warranty. It has been a year since the last time we have petitioned the OE.

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 we all work together to verify everything along with our accountant as well. We generate a daily work in process report to verify.

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)?

- It is given/discussed on a monthly basis to keep a goal in place.

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?

- Our pricing strategy is for retail is full list in person, and 10% less than retail list online. Our goals are being achieved.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

- We audit it on a weekly basis. The website is looked at almost daily to make sure it has all the correct information.

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 have a parts online store. It is monitored hourly and customers are responded to as soon as orders or leads come in. The online parts manager gets the leads and order notifications.

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?

- Training from Ford Motor Company is available via online or upon request. Ford assigns new online tests every month to take and study.

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 process both online via Ads and during the vehicle sales process. The customer is made known of available accessories on their vehicle and given the option to add the purchase of an accessory to the purchase of their vehicle.

16. What would help you sell more accessories?

- More vehicle salesman incentives would benefit more accessory sales. Purchasing more google ad words for popular parts would help as well.

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 we do, we review monthly.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

- We do not keep track of it on a daily scale, but a monthly scale.

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

- Inventory is checked regularly. When sales are made we check the accuracy of the quantity shown available.

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 they are being tracked. If someone is requesting a part we do not have on our shelves, we do qualify it as a lost sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

- The biggest obstacle is communication between parts, service, and the customer.

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?

- We do not have an obsolescence problem normally, at the moment it is very low.

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.)?

- The strategy is done through the DMS based off of sales. We currently use RIM and it has been working well for us.

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?

- 10

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

- More streamlined communication from the service advisors to make sure the correct parts are being ordered in a timely manner. This means providing the repair order as soon as it is created.