

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)? **American Honda training dealer service group profitech managing.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? **Yes.** What is it? **Company handbook and parts process manual.**
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? **Yes. (97.6%)**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80% inside and 20% 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? **Monitor by manager daily.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only parts department personnel authorize.**
7. Are you at Retail pricing for Internal? **Yes.** Who established your Internal parts pricing policies? **Owner and General manager.** Are they current? **Yes.**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? **No.** If not, when was the last time you petitioned the OE for retail reimbursement? **American Honda determines warranty pricing.**
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. **Yes.** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **Yes.** What does this look like? **Good.**
10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? **Yes.** If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? **Yes.**

11. What is your retail pricing strategy for your Parts department? **American Honda recommendations and matrix pricing.** How often do you check to see whether your pricing goals are being achieved? **Monthly.**
12. How often do you audit your dealership's Parts web page? **Monthly.** How often are coupons, hours of business, etc., reviewed and updated? **Quarterly.**
13. Do you have a Parts online eStore? **Yes.** How do you ensure that parts order forms/queries are responded to in a timely manner? **Reviewed hourly.** Who gets the email leads/questions? **Parts countermen and manager.**
14. What sales training is available to Parts personnel? **American Honda OEM dealership training.** If training is available, is it mandatory? **Yes.** How often are sales skills assessed, tested, and refreshed? **Weekly and monthly.**
15. Do you have a process to offer accessories to 100% of your New and Used customers? **Yes.** If so, what does it look like? **By Honda accessories catalog and online ordering.** If not, why not?
16. What would help you sell more accessories? **More advertisement.**
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? **Yes.** How often are they reviewed? **Quarterly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? **Bin counts are done weekly by staff and manager.** How are variances communicated to the accounting office? **Monthly reports.**
20. Are lost sales being tracked in your DMS? **Yes.** Do you have a common definition that all counter people understand? **Yes.** What is your definition? **Anything that is not sold to a customer in person or special ordered.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Advisors getting customers back in for repairs.**
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? **Parts ordered internally and customers not returning for repairs.** What is the current dollar value of your obsolescence? **\$26,469.55**

23. What is your phase in/phase out strategy? (Phase in:) Two parts sold within a three-month span. (Phase out:) One part sold within a six-month span. How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? By monitoring monthly sales.
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? (9)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Having a fully staffed department.