

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)? GM Fixed Ops Academy
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Retention through customer care, profit through efficiency.
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? No.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 90%
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? Counterman Override Report
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Parts People Only
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? MSRP recon, cost +10 to service policy
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? Yes. Its been reviewed in the last year but we opted not to file.
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? No
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)? Yes

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? Cost scaled matrix with a separate grid for commodities.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Monthly
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? Parts Manager
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? DMS and Manufacturer 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. Sales dept doesn't have the interest.
16. What would help you sell more accessories? Sales dept engagement while waiting for F&I
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, regularly.
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? How are variances communicated to the accounting office? Perpetual Inventory. Variance communicated to accounting at Annual Physical Inventory.
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. Inquiry and not in stock.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Advisor follow up
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? \$38k on \$850k inventory
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.)? 3 demand events in 12, I also look at a 2 in 12 report to pull out trends.
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

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