

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)? **Other than training from OEM , the only training they have received is from former manager**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **CMA's Vision statement is "Owners Care More" (we are an ESOP). Other than that none specifically for parts**
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, the 1st time my NADA class had me track 25 RO's and the 1st time fill %. Rate was 25%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75% Inside / 25% 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? **None. 3 people have access to , it's a small store.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Both Parts Personnel and the Parts and Service Director**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Retail and Internal are the same (76.35%)**
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? **Warranty is at 74.8%, Retail is at 76.35%. We review it annually.**
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, they do, every month. We do a parts reconciliation every month through a spread sheet.**
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, we have a financial review every month. Yes they can review daily operating reports**

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? **We use a "Matrix" or grid based on price point. Mark up is larger on cheaper parts. % of markup is determined by where the parts cost falls in the grid.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not applicable. Small store. More business than we can handle.**
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, not applicable for same reason as above.**
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? **OEM Training is available and mandatory. Its not refreshed in an organized manner.**
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, we do not. Limited by size of facility**
16. What would help you sell more accessories? **Nothing until the new facility is built and we can justify more personnel.**
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 have in the past but the group as a whole pushed back on our desire to drop specific accounts because of business they do with other stores.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, but we will!!**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Parts reconciliation monthly and daily bin counts.**
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, lost sales are tracked in the DMS but I do not think we think consistently or with a standard across the board**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Time, communication, and attention to detail.**

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? Lack of ability to return because of switch from "Smart Stock" to "Parts Eye" and then the "Buy/Sell" extended the return wait. Amount currently is \$21,881.00
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.)? We use "Parts Eye" to manage inventory
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? Jason McDevitt = 7/8
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Larger space, more personal