

## 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)? **Ford and Chrysler certifications** **No formal training besides OEM training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No**
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? **We have not** **Completing the exercise was the first time, very eye opening. We are running at 56%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **I would say 70% roughly** **96% Inside 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? **Counter people can, but we do have set pricing levels integrated in our dms**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Counter people and the parts manager** **Service writers and advisors also have the ability.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at list price for internal. Not retail. The pricing policies have not been reviewed in the 5 or so years I've been here.** **Something we should look at, we should be at retail for 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? **Depending on the warranty company we can.** **We just submitted for a parts increase from both OEMs.**
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? **We don't really review closed repair orders. But we do discuss certain wip orders when needed.**

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** All department managers are provided with the DOC, no one besides the owner and controller sees the financial statement.
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 check monthly**
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? **We don't** **We don't have much of an online parts presence.**
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? **The Chrysler and Ford training. Something we discussed, we will explore sending parts manager and counter personnel to formal training sessions.**
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? **We do have displays and brochures. We also do upfits and to help sell accessories or upfitted vehicles.** **We do not have an actual process, this is something we need to work on.**
16. What would help you sell more accessories? **More display area in our physical dept.** **We are in the middle of a remodel. We will have a better display area after the remodel.**
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? **We don't** **Something we will review on a six month basis.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I don't**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do bin counts daily.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **They are tracked through our dms, we do all understand how important lost sales are.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting people to come in within a timely manner to not create idle inventory.**
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? **Don't know the current value. Biggest cause is sop parts that are not installed or picked up within the return frame.**
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 control Chrysler using the aro system. Ford we manually control**
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? **I would say 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? **Work with our service dept to create a system to prevent customers not coming in for appts and tighten our scheduling/parts ordering gaps.**