

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)? **None. MBUSA and CDK only.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes. Our company mission statement is printed on all nametags.**

“Dedicate our lives to inspiring our employees, our guests, and the members of our community in their mission to fulfill their dreams. It is our fundamental belief that all of this is best achieved through the faithful execution of servant leadership.”

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. Not until it was part of this class homework.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

**Sales = 40-50% inside and 50-60% outside
Gross Profits = 60+% inside and 30-40% outside.
Varies by month and large account performance.**

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? **No specific securities, it is monitored through exception reports.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Anyone with function PRO. Parts personnel and Service management.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Retail.**
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? **We are actually above retail. Cost + 100% and that was approved only a couple of months ago.**

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? **WIP is looked at monthly by fixed operations managers. It is the department managers responsibility to make sure that invoices/Ros are close timely.**
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)? **Reverse Risk is used to monitor daily sales/gross, etc. It is done daily and takes the place of the DOC.**
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? **It is a matrix system and it is updated annually.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **The web page is reviewed and updated monthly. It includes specials/discounts.**
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 have a total of 3. Revolution Parts has 2 (local and national) and we have an online tire store. We have a 3 person system to ensure that requests are responded to appropriately.**
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? **None at this time other than the OEM recertifications which are mandatory. They do not include any sales based training and we do not assess them on any interval.**
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 not. There is no process that has sales introduce their customers to parts or service at this time.**
16. What would help you sell more accessories? **Better sales skills, more desirable accessories offered, and more affordable accessories.**
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? **Parts manager reviews all wholesale customers. Timing varies by customer, but Reverse Risk does help with looking at trends and value based on sales/gross.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Cycle counts regularly, and adjustments are done on invoices so they are trackable.](#)
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, but not consistently. Parts staff knows to do it, but is inconsistent. \(SMART Goal set.\)](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [We don't have a big problem in this area, but advisor follow up is the biggest hurdle. We do not have an SOP bin, if not installed in the shop right away then parts are put into regular inventory shelves.](#)
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? [Currently it is the inaccurate projections from our large fleet customers. We loaded up on several part numbers that were projected, but ended up not being purchased.](#)
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.)? [It is aggressive and set up by Parts Pro as part of agreement.](#)
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? [Tongue in cheek answer of "get people to show up to work." We have had an issue with absenteeism and it has put everyone else in that department in a bind. Organization is supportive and willing to make investments to improve. We will look into sales training for parts staff.](#)