

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)? **General Motors/Global Connect**
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? **No. Doing for the first time now.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Sales: 83% vs. 17% Gross 86% vs. 14%**
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**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **None of these**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at matrix for most internal parts pricing except for pre-loaded accessories, they are priced closer to trade/wholesale,**
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, we are.**
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? **Not really**
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)? **Financial statement we have looked at for the last couple of weeks. Yes, I have access to sales, gross, etc.**

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? **The strategy is we are at matrix pricing, just a lot of variables where that does not happen. Examples would be E-Commerce orders, wholesale customers not set up correctly, etc.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not very often.**
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? **Yes, we participate in GM E-Commerce. Emails go to the parts manager and front counter people.**
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? **We participate in GM training, and it is mandatory. We have not done any sales training in parts dept.**
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?
Sales is supposed to while enrolling customer into GM Rewards program, but not sure it happens 100% of the time.
16. What would help you sell more accessories? **Getting sales onboard 100%**
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, Monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$2,319.31 per person**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do quarterly perpetuals, daily counts when pulling parts. Don't know if the office pulls numbers out of Tekion or not.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **We don't have a consistent definition, and this is a issue we are looking at. We do a poor job tracking them in DMS.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting service advisors to call customers.**
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? **Special order parts not being installed, obsolescence greater than 12 months equals \$53K.**
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.)? **Better special-order process**

where service does a better job contacting customers and getting them back in to have installed.

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? **Seven**

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Better special-order process where service does a better job contacting customers and getting them back in to have parts installed.**