

## 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 Parts College. Ford Manufacturer training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Nothing Written. Get every part on time every time**
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 do not track regularly**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 73.9%, Outside 26.1%**
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? **Manager checks sales and gross profit via reporting daily. Counter personnel have the ability to change pricing. Needs to be authorized by Parts Manager**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager / Parts Counter Personnel**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. CAG Management. Yes**
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 currently are at a 64.8% parts markup. It has been 2 years since the last retail reimbursement request. We will begin the process in January 2024.**
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. The corporate office has a bi weekly report showing all open ROs and requests reasons for each open RO. Parts Manager reviews open parts invoices regularly.**

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)? **No, we do provide a DOC through the DMS**
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? **Use a matrix for RO sales, Retail for counter sales, Market rate for wholesale. Goal is to be competitive yet profitable.**
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? **Yes, fordparts.com. Parts counter and Manager all get online orders/requests.**
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? **Ford STARS 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. Actively working on improving accessory sales.**
16. What would help you sell more accessories? **Having online store, better display in store, develop a sales/service/parts process**
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. Regular customers are reviewed monthly to determine value.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$8977 (Based on September 2023 Financials)**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Negative on hand report checked daily. Monthly reconciliation, periodic cycle counts. Check parts count each time parts pulled for sale.**
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, the DMS offers tracking. Definition: A part we needed to complete a service or repair on an RO, or a part that a customer tried to purchase over the counter and we did not have in stock. Also if we lose a sale or job by not having part in stock**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service department scheduling. Need consistent follow up process for SOPs**
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? **Service department SOP not being picked up or installed. Through Nov 30 = \$6,674**
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.)? **Used to be 2 orders/lost sales in 3 months. Now Controlled by RIM.**
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? **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **No issues at this time. The help is there.**