

## 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)? **Mostly 30 years of experience and manufacturer training over the years.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, To make every customer feel at home, every time they walk through our doors**
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? **Not manually, but according to our Post homework exercise 80%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **54 Inside/46 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? **Exception/Deviation Report is run weekly.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only Parts Advisors can make pricing changes**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, Parts Manager when he arrived 15 Years ago**
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 to be exact Cost plus 98%**
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, Mostly using the DMS and counts are verified with the both the Service Manager and the Parts manager as part of the month end reporting.**

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 on a monthly basis. Reviewed with the owner**
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? **Matrix based on cost pricing reviewed every couple months and on a case-by-case basis.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not enough as per Part Manager. At least monthly is the goal that has been set to work alongside our digital marketing rep so that changes can be made immediately.**
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 through Revolution Parts. **All Email Inquiries go to a Shared Parts inbox, The Parts Manager, Assist Parts Manager as well as our CRM.**
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 mandatory courses provided by the manufacturer. They are not assessed as often as they should, but there is coaching when reviewing leads and overhearing a fumbled phone call.**
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, but we should. Tension between previous F&I Dept and Parts Dept.**
16. What would help you sell more accessories? **Accessorizing a vehicle on the showroom floor, Working with Salespeople and F&I to educate them on accessories available for car**
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 on a monthly basis. Before getting rid of a customer the Parts Manager always calls on the P.O.C. at the account to try to find a solution.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, \$3118**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Physical inventory and perpetual Inventory checks. Variances are communicated to the accounting office by Parts Manager monthly.**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No, Yes, Anytime a there is a demand and it cannot be fulfilled.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers back, but we have put processes in place to mitigate these issues.**
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? **Lifestyle collection Items (Stringent return policy). \$21690**
23. What is your phase in/phase out strategy? **3/12** How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **By reviewing our orders daily and rejecting inventory based on our needs and historical sales.**
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? **Keep providing the support and ability to run the parts department freely, but responsibly.**