

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)? **Walter attended the NADA Academy parts week and has completed factory training for GM and CDJR.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No. We do not have one yet.**
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, at least not before the last assignment.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **60%**
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, they are permitted to make these changes.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Manager and the Service Advisors can do this on R.O.s**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, the Parts Manager and they are current.**
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 at retail.**
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? **The Service Manager does review all WIP at month end with our Controller. All repair orders are closed in a timely manner. Only vehicles still on the ground have open ROs. The parts manager does not review WIP with the Office Manager/Controller.**

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**
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? **Parts are sold at full retail. No matrix has been put in place. Numbers are checked daily.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Never. As we move forward we will need to get better at this.**
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? **No**
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? **This is a new idea for us and we will begin sales training for parts 1/17/24.**
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 this on new vehicles, but not on used. On used vehicles we offer accessories for our OEM brands.**
16. What would help you sell more accessories? **Showroom displays and procedures.**
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, the wholesale accounts are reviewed weekly. They are also adjusted based on performance.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes (\$2700)**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Walter does random bin counts. Variances show on the monthly reports.**
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 and Yes. Lost sales are defined as needed parts that we do not have.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **The service advisors and the customers getting the vehicles scheduled.**

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?
The biggest cause is our previous management did not watch for obsolescence and did not focus on hitting KPI. Our current total \$83,000.
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.)? **Phase in is 3/12. Phase out is based OEM and 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? **6. Our current DMS is Autosoft, but we will change to Dealertrack soon and then I'll be at a 9, maybe 10.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Improve communication between all departments and have a management strategy that supports each department as needs change.**