

## 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)? **Hands on training, Mangers advice, Mopar parts and service expo, OEM training and certification**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We currently do not have a vision statement but are working on one for new year.**
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? **Manually it came out to 16% but DMS is 78.9%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **68% Inside vs 32% 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? **Pricing structure is only accessible to Parts Manager.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Fixed Director, Parts Manager and Parts personnel**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are retail pricing for OEM parts and aftermarket pricing have a 67% markup**
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? **I am not familiar with retail reimbursement**
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? **Work in process is followed up daily by the service and parts personnel. It is updated by our BDC and Service Drive manager**

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)? **I receive the daily DOC report for parts, service and sales numbers each day. Monthly statement is discussed at the close of each month with GM**
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? **Reports for sales and gross are inspected each day. Over counter customers pay retail of 67% markup. Our matrix pricing is for service repairs in the shop only.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We do not audit the website enough it is something our store is going to look at heavily in this new year.**
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 do not have an E store. The parts leads come through our third party site to BDC and parts personnel.**
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? **Training is mandatory and discussed on a monthly basis with all employees.**
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 a poor job of up selling accessories. We do have a display but we don't push that market.**
16. What would help you sell more accessories? **Set a new standard and expectation.**
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? **We do not focus on this area enough these sales are for little gross and need to be assessed on a regular basis of sale.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No he does not.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **The procedure is done weekly and accounting receives all weekly DOCS that are coded by parts manager.**
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 do a very poor job of requiring lost sales report.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Contacting the customers is usually the biggest task. The customer's lack of urgency to come in for the repairs also plays a big role.**
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 process to obtain parts when they are on backorder and the customer takes a different route with the parts still on order plays a big role. Returned parts in general whether it is wholesale returns or internals are factors as well.**
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.)? **We utilize every program we can to make sure our loyalty on ARO is upheld properly. Parts with minimal sales in a 6 month period are usually not added.**
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? **I think I would find myself in the 7 to 8 tiers**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Monthly updates on expenses, the ability to use my peers for advice and guidance, as well as further training.**