

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)? *All Manufacturer including Financial Statement and Parts Elements. CDK and Dealertrack DMS*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Yes, We understand our customer needs with the belief of our product and the Dealership we represent.*
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 94.9*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *69/31*
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? *Only Parts Manager and Assistant Manager have access to change quantity and price structure.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Only Parts Manager and Assistant*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Yes, Parts Manager and G.M. 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? *Yes and Yes*
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, monthly. They are closed in a timely manner. We have more than we should, mostly due to Back Order Parts.*
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. Parts Manager can ask for statement when needed. Parts Manager can look at DMS daily reports.*

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? *Full Matrix pricing. Minimal discounting. Always understand the customer needs for related sales opportunity. Sales and GP% reviewed monthly.*
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 have an exclusive Parts web page. It's combined with Service*
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. We do get emails that are handled daily. We recently acquired Dream shop with Honda.*
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? *Manufacturer Training is all at this time. There is discussion coming up to have more training and make it mandatory.*
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? *Not yet. There is a plan to have a process for this in the next month or two with our Dealer group.*
16. What would help you sell more accessories? *Offer accessories as part of the sales 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, quarterly*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *Yes, \$1,712*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Perpetual Inventory and monthly reconciliation accounting with the month end report.*
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, Yes. Any O.E.M. part not available at time of purchase.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Service Advisors and receptionist calling and follow up calls to the 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 and miss-diagnosis from the Service Dept. Approx. 3k*
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.)? *3 in 9, 0 in 9. No special stocking program from Honda. They do give us Y.O.Y. purchase data that they expect to increase every year and is a qualifier for Presidents Award.*
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? *Layout and space for our growing Dealership. Sales and Service has expanded years ago. Parts is overdue for it's expansion. There's talk we may have a restructure by the end of the year.*