

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) **Honda Interactive Network training courses.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No**
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 (Doesn't have the time with it being just Him (manager) and 1 Advisor). Fill rate is 96.45%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **87 inside and 13 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? **Only parts Manager can override pricing.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Service Director.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes for retail pricing. It's the owner's policy, and yes still 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? **Yes, retail is the same for warranty.**
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? **Parts and Service Manager/ Director work together not with office 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)? **Parts department doesn't see financial statement, They do have access to the DOC on Automate.**

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? [He checks pricing goals every day. Mark up is at list cost.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Never, nothing is posted for parts online. Coupons are sent out every 3 months.](#)
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, and if BDC gets a lead for parts it is taken to them to call customer and fill request.](#)
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? [They just do Honda online sales/parts training. It is mandatory that they do this for certification.](#)
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? [Yes, most new cars have accessories on them. We have a few models that we put parts on so that customers can see all the upgrades you can do.](#)
16. What would help you sell more accessories? [More accessories pamphlets.](#)
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, it is reviewed every 6 months.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Yes, it is 1869 a person.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Monthly inventory recaps, yearly physical inventory check, and spot checking 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? Yes and Yes and anything customer wants that we do not have in stock.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Having service contact and getting customers back.](#)

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? [Inherited parts that have been on shelves for years. \\$1303.08 is our current obsolescence.](#)
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.)? [Our strategy is if a part has 3 hit in 6 months stock it.](#)
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? [Get rid of inherited parts to stock more inventory of what we are selling on a daily basis.](#)