

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)? **G.M. University of Automotive Management**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not.**
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? **Been about 13 years since he manually did it. Currently, per the DMS it is at 96.32%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **RO 93.96%, Internal .41%, Wholesale 1.97%, Retail 3.66%**
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? **They have access to the various pricing codes and can change the price.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts MGR, Service MGR, Selected Parts Advisors**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. The General Manager established policies.**
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? **Approximately 2 years ago.**
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? **We do not work on WIP monthly with our 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)? **Financial statement is not given. We do not have access to the doc.**

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? **We use a matrix. We do GM Suggested List for Body Shop and warranty. We do a daily doc report and check our GP% on customer pay and internal.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We seldom do an audit. We should do it more.**
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 one. Parts leads go to the service BDC and get sent to counter.**
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? **We just do the GM training.**
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 not. Sales typically handles that themselves. We do have GM's site which works well.**
16. What would help you sell more accessories? **Perhaps a specialized tech team for installation at a fixed rate.**
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 very little wholesale. Avg GP 8-10%**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We try to keep ongoing inventory counts going but could be better. Variances are only reported for large dollar amounts.**
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, but we do not have a common definition. My personal definition is "A demand that cannot be filled"**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Advisors are not checking SOP's daily and calling 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? **Our 12 month No Sales is currently at \$69,447, Inventory is \$891,474**
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.)? **RIM really controls that. There is no ability to set those strategies.**
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**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Have an assistant work the posting, reconciling, and various tasks.**