

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)? **None**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? **Not yet** What is it? **To be the model of success for leading organizations in the automotive industry in Puerto Rico.**
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, 69%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 30%, Outside 70%**
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? **CDK Exception Report**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service manager or Warranty Supervisor.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes since the Parts NADA course. Owner established the parts pricing.**
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. We are currently asking for increase.**
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, also they pay plan is tied for close hours and close invoice.**
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 monthly.**

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? **See CDJR other dealers prices on a weekly basis.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly, no coupons.**
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? **Revolution Parts site with a specialized seller.**
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? **The manufacturer certifies them with specialized quarterly and annual courses.**
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 take non-OEM accessories on consignment and are paid at the time of sale of the car with accessories installed.**
16. What would help you sell more accessories? **A Consignment program.**
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, in a quarterly review.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **2,318 per Salespeople**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **The receiving report vs bin report is reviewed daily and a random daily bi-check audit is carried out, which makes the complete flow of the warehouse area.**
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. **Part that we could have sold if we had in stock. (Part that meet stock status ordering criteria)**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **A parts department that does not track the arrival of the special ordered Part and a Service department that does not track the rapid installation of the same part.**
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 Warranty Parts Orders. 40K**

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 12, The manufacturer suggests ARO to us but suggests parts based on the region of the Florida area which does not meet our criteria in Puerto Rico.**
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? **5**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Send us to the NADA course of fixed operation of Parts**