

## 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)?

NADA academy

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

Our parts department mission statement is understood by all our employees and held to account at all times.

"Providing top-quality, authentic Ford parts to ensure optimal performance and customer satisfaction, backed by knowledgeable staff and a commitment to excellence."

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?

A manual sample of our ROs yielded 70% FTRF as opposed to our official 83% OEM tracker.

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

71% of our business comes from inside.

28% comes from retail and wholesale.

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?

A price override report is ran examined and investigated twice a month.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

Only parts department personnel are allowed to change or override parts pricing.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they 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?
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, the parts manager, the service managers and the bodyshop manager meet weekly with the general manager to work to close oldest ROs from the WIP list. Additionally the service managers work with parts department personal on a daily basis to ensure that all parts on the ROs and are correctly priced.

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)?

The parts department manager has access to the parts statement and is reviewed on a weekly basis and is discussed with the fixed ops. Manager on a monthly basis.

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?

The retail pricing strategy is formulated via matrix pricing with exceptions for regular maintenance parts such as oil filters and wiper blades.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

The parts department web page is not audited or updated by the parts department manager.

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?

Our online e-store e-mails parts dep. countermen and manager when an order is placed online and it is immediately filled and processed.

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 not mandatory and tests are not issued regularly.

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?

Accessories are offered to new customers via sales dep. As well as a dedicated website accessed by new and used vehicle owners.

16. What would help you sell more accessories?

A dedicated space to display the wide variety of accessories offered.

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?

Wholesale customer accounts are reviewed and analyzed monthly to identify trends and visit them to address concerns.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Each salesperson need to sale at least 150,000 a month to brake even.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Random bin counts are performed weekly and the entire inventory is counted twice each year on top of the official yearly inventory. Inventory variances are sent to the accounting office monthly via an inventory reconciliation 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?

Lost sales are recorded in the dms by the counter people when the part is not immediately available and there is a demand for one.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

The biggest obstacle is to get customers notified and scheduled to return once the special ordered parts have arrived.

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 biggest cause of obsolescence is the unsold special orders and the previous lack of accountability of counter people to follow procedures.

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.)?

Phase in parts have to have a demand of three in a period of 12 months.

Phase out parts have to have no demand in more than 9months. 20% of the current inventory is controlled by RIM. Two daily stock orders still have to be processed to maintain a healthy stock level of parts not controlled by rim.

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?

Seven.

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

To work collectively as a team.