

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 except for attending a couple service/parts manager 20 groups

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 – DMS only

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

70/30

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?

Parts manager and two counter employees all have access – employees do not abuse it.

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

Parts personnel and GM.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

Yes – Parts Manager – yes 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?

True list in MN

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?

No – but we need to start~!!!

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

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?

38% - 40%, checks a daily Gross report

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

Never

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

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?

Mandatory modules are all that the parts department employees have done.

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?

Sales has a tool they can use in store – but it is not customer facing.

16. What would help you sell more accessories?

A dedicated accessories person.

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 only have 1 account, not sure if the gross is justified at 10 percent – we sell a lot but the situation is unique as the wholesale person comes to the store- packs and ships his own items.

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?

A proper inventory has not been done since early 2000s, GM does not want to do one until the parts department moves into new space in 18+ months. Parts manager would like one sooner.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

We are now using the NADA question tree to define a lost sale – and are starting to track them.

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

Advisors calling and rescheduling their customers... Need to work with BDC to get these customers rescheduled.

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?

Impossible to accurately answer this question until a complete physical inventory is done.

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.)?

Toyota Inventory Program (TIP) set our phase in/phase out parameters.

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?

10

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

