

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-day seminar, 1 week now of NADA School**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No we do not currently**
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 I have not. It is 79% currently**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80% vs 20%**
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? **All access has been removed from counter people to change pricing structure. The only person who has access is the Parts Manager and General Manager**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager, General Manager, Service Director**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes we are at Retail pricing for internal parts pricing. Our Service director and General Manager set that up and yes they are all 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 we are at retail for warranty. We just had a labor increase in June of 2023.**
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 before each month is over we go over all open RO's and WIPs. Before the month ends each one that can be closed out is done to make sure we are not rolling over a ton of open work.**

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 they are not.**
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 follow matrix pricing. This is checked on weekly by a report that is sent out through our corporate office and then discussed with the Parts manager and changes are made if necessary.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Website is reviewed by the General manager once a month and also by the Parts manager as well on a monthly basis.**
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? **Honda just started the Dreamshop website. All incoming orders/inquiries are sent to every person in the parts department including the manager. Whoever is available to answer the questions is who takes that inquiry when it comes in. We try to limit to no longer than 10 minutes from the time we receive the 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? **No training is currently offered to our parts department personnel.**
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? **No. We only offer accessories about 50% of the time to our new car customers only. No process in place for used car customers. We had some big issues with our parts department and having the right parts available to our customers. We were working on getting that fixed before we started a process with our sales team.**
16. What would help you sell more accessories? **Asking each and every customer EVERY time they purchase a vehicle from us.**
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 we have been doing that on a monthly basis recently. We have changed some policies and procedures to help curb some of the large amount of returns we were getting.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$3,163 per day is what each parts counter person must sell.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We have implemented daily bin**

counting to insure proper inventory levels. We also communicate at the end of each month to our accounting office any variances.

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 not being tracked as of right now.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Making it a focus daily to reach out to our customers to make sure they're aware of the parts coming in. Multiple contacts using email, phone, text and direct mail.**
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 previous parts manager not knowing or caring what he was doing and loaded up on the wrong inventory. We have over \$125,000 in obsolescence currently.**
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 phase in is set at 12 and phase out is set at 9. This is a corporate decision and doesn't relate to the factory or any other program for that matter.**
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? **We sent him to the week of NADA school with the General Manager. We also have another parts manager from a successful Honda parts department that has been coming over to help him learn things as well.**