

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) **25 YEARS OF EXPERIENCE AND MENTORSHIP, NO FORMAL TRAINING.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **YES, GROW EVERDAY**
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? **YES, 90.4%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **85/15**
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? **DAILY AUDITS, NOTIFICATIONS IF BELOW THRESHOLD**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **PARTS MANAGER AND COUNTER PEOPLE ONLY**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **LIST PRICING FOR INTERNAL NOT RETAIL. GROUP DECISION WITH THE OTHER DIRECTORS CONCERNING PRICING 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? **PETITION IT IN NOVEMBER OF 23, NOT FEASIBLE IN TEXAS**
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 WE REPORT ALL OPEN INVOICES AND STATUS AT THE EOM**
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 WE DISCUSS IT WEEKLY ON THE L10 MEETINGS ON A MONDAY**

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? **COMPETITIVE PRICING THE GOALS ARE CHECK DAILY**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **RARELY IT IS A LINK TO ACURA'S WEB PAGE**
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 WE HAVE A DREAMSHOP FROM HONDA ESTORE. THE ORDERS AND QUERIES ARE SENT TO THE COUNTER GUYS AS WELL AS THE PARTS MANAGER TO BE ANSWERED.**
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? **NOTHING FORMAL, CONSTANT COACHING AND REFINING.**
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 WORKING ON A PROCESS BUT ALL NEW CARS ARE ADDING A PROPAK TO THE CARS**
16. What would help you sell more accessories? **BETTER PRESENTATION AND DISPLAYS**
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 CONSTANTLY BUT NEED TO BE IMPROVED**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **YES AN AVERAGE OF \$2500 GROSS PER DAY PER COUNTER PERSON**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **WEEKLY BIN COUNTS, DAILY SPOT CHECKS ALL ADJUSTMENTS GONE OVER MONTHLY**
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, YES ANYTHING THAT WE DIDN'T SELL DUE TO PRICE OR AVAILABILITY IS A LOST SALE**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **SERVICE ADVISORS NOT FOLLOWING UP**

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? **UNSOLD SOP PARTS \$4588.15**
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.)? **4 MONTH NO SALE PHASE OUT, DAILY RIM MONITORING**
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? **8**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **REFINE THE COMMUNICATION PROCESSES, TIME SPENT AT THE PARTS COUNTER IS TIME NOT SPENT DOING OTHER THINGS**