

## 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)? **No formal training other than manufacturer classes. 46 years in the automotive industry. From Warehouse, Driver, Counter & Manager.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Customer First. They are our Bread & Butter.**
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. 92.1%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75%**
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? **Any big changes have to go through the Parts Manager. They are paid on Gross, so they want to sell it for as much as possible.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service can't change pricing. They have to go through the Parts Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **25% markup up to \$500, 15% over \$501**
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? **We petitioned the OE about 1 year ago & now are at cost +82.2%. Normal Warranty was at cost plus 40%**
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?

**Every month we have to send open counter tickets and RO's to the Office Manager. Anything over 1 month old has to have an explanation.**

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 Financial Statement, but I do get a doc/custom report we review.**
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? **I want Retail around 40% and wholesale at 22%. I check every month and if we are low, talk to the Counter people to try to drive higher.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **No**
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? **We have an online parts inquiry section, but not an eStore. The leads come to the Parts Manager.**
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? **All training is through JLR. Some online and some in class/person to attend. All are mandatory.**
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? **I need to work on a process. I currently don't have one.**
16. What would help you sell more accessories? **Have a better display of accessories & better marketing with more offers.**
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. Our highest discount is 20% off list & if they don't do very much with us, their discount is 15% or lower.**
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? **Inventory counts are done perpetually all year. We have always been over at inventory time.**
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. Our program always makes us add lost sales if we don't have a part.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **When SOP Parts come in the Service Advisor receives a paper asking to get the customer back. We need a better process for follow 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? **JLR does not offer a very good buyback program. \$19k over 12 months.**
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.)? **It is set as phase in 3 in 9 months. Phase out 2 in 12 months, but auto shipped inventory is controlled by RIM using JLR's own Phase in/out schedule. Difficult to get perfect.**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **A bigger/new store and more employees.**