

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.**

We recently hired a new parts manager in this store, and he has only been on the job for two weeks. Some of his answers are limited in scope due to his limited knowledge of the specifics of our parts department. We had a productive conversation based upon my knowledge of our historical practices (as the General Manager for the last year), and his experience at a competitive Stellantis dealership for the last 15 years.

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)? **No formal training or classes, all of his experience is from hands-on dealership experience. Stellantis offers online classes and some mandated training on software, ordering, etc. Most of the OEM training is service-oriented, instead of parts-oriented. Our parts manager expressed eagerness and interest in formal training opportunities.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, there is currently not a vision statement.**
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? **Our parts manager has only manually tracked FTFR once, years ago, and that was at a previous dealership. Would guess that it is currently close to 85%. Our FTFR exercise showed it to be closer to 60%. We are going to have the full department do this exercise for a week to find our true FTFR.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **25% of total sales YTD is from Counter Retail & 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? **The DMS currently gives the parts advisor the ability to override pricing structures.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The parts advisors request permission from the parts manager to make a price modification.**

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal is priced at 20% over cost. Internal pricing is determined by the dealer principal and General Manager.**
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, New York is at retail reimbursement for warranty. We annually submit for a warranty reimbursement every January, using an outside firm.**
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? **Communicate daily with the office manager regarding proper invoicing. The office manager notifies the parts manager if mistakes are made, and corrections are made. There is no manual process in place to review WIP with the Service Manager, Parts Manager, Controller, and GM on an ongoing basis. This should be implemented.**
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 financial statement is not provided to the parts manager. There is no daily operating report provided, other than what is available to the parts manager in the DMS.**
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 are currently reviewing and updating the pricing matrix and implementing stricter pricing controls. Currently our GP % is below guide on customer counter retail at 25% (vs. 40% guide.) Our customer pay and warranty RO GP % is at guide at 40% but there is opportunity for stricter controls.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We need to update our parts webpage, including our linked mopar estore.**
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 store through revolution parts. One of the parts advisors looks for new parts orders from revolution parts throughout the day. We do have an outdated form fill on our website, which we are removing.**
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? **We do not have any sales training available for our parts 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? **We do not have a process in place, but we are working with our sales team on implementing a process, with proper presentations and training for our parts advisors. Every customer should speak with a parts advisor prior to F&I.**
16. What would help you sell more accessories? **The opportunity to sell to every sales customers. Availability constraints for accessories is also a concern.**
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 need to review all of our wholesale accounts; we have not done this exercise.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **We have never approached our sales goals from this perspective, or even looked at this, but it's a beneficial way to track progress and goals.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do a physical audit every January using an outside firm. Bin checking should be conducted on an ongoing basis.**
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 being tracked in the DMS, however, our new manager needs to work with the team to ensure that everyone has the same understanding.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication. Policies need to be reviewed as well: keys and electrical parts should require pre-payment and be non-returnable. We are also considering requiring prepayment on all customer pay SOP.**
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 causes of obsolescence are: SOP, ordering mistakes, not managing return allowance properly.**
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.)? **We follow ARO very closely. Mopar requires 92% ARO, and we are currently at 98%.**
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? **0% understanding.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Proper staffing levels – another fulltime parts advisor.**

