

## 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 Parts Week**

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

**No, we have not yet.**

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?

**We have not, prior to this exercise. Our FTFR is 40%**

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

**RO: 46%**

**Internal: 14.4%**

**Warranty: 39.5**

**Body shop: .1%**

**Counter Retail: 59.8%**

**Internal: 10.03%**

**Wholesale: 30.17%**

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?

**Honor code 😊**

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

**Parts personnel, Warranty Administrator, Service Manager.**

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. Fixed operations director. Yes, they are 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?

**Ford not at Retail, petitioned summer/fall 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?

**As well as they can with the training that they have. We observe RO's/Invoices within the most recent 30 days and attempt to close/reconcile within that window.**

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, the financial statement is not given to the parts manager unless they request it. This is not discussed with the parts manager, although the parts manager would find it helpful to discuss it to know where improvements could be made. A daily operating report is available to the parts department manager.**

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?

**Retail pricing strategy is set at MSRP/List pricing. We check pricing goals daily with a transaction analysis report.**

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

**Part's web page is not audited very frequently, Website content for main store is reviewed somewhat frequently.**

13. Do you have a Parts online E-Store? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions?

**No, our dealership does not have an online E-Store.**

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 sales training is provided to parts personnel besides that phone calls are being monitored by our dealer principle and advice offered by management.**

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 do not have a process in place to offer accessories 100% of the time to our customers, however, when members of our sales team are bringing customers back to schedule first oil change and get dealership merchandise that would be a good opportunity to offer accessories.**

16. What would help you sell more accessories?

**Training/ experience on fitment and a process or guide that outlines cost to customers so it is readily available and parts personnel can sell with confidence.**

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, the parts manager does review wholesale customers frequently. Reviewed as needed.**

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

**Yes, this amount was calculated at NADA parts week.**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

**Parts personnel are accountable to fix, and correct inventory as needed. We have been performing rolling bin counts and have a physical inventory scheduled for the beginning of June. Variances are communicated to the accounting office via parts manager.**

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 by our parts department and Dealertrack. We do have a common definition that all counter people have been instructed to follow as well as a flow chart that shows the correct way to log lost sales.**

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

**Getting SOP parts/customers back through the shop after ordering them due to excessive strain on the service writers and scheduling.**

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 cause of frozen capital is from the inability to sell obsolete/incorrectly ordered parts. Our current dollar value of obsolescence is TOO MUCH!!!!**

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.)?

**Phase in strategy is set at 3 demands in 9 months. Phase out is no demand in 9 months.**

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?

**Parts manager says an honest 8**

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

**Provide more training or experience to more effectively understand and resolve issues.**