

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)?
He has gone through the NADA parts course (as well as one other similar course), and is Master parts certified for Ford.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No
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, but it was slightly lower than the computer. 97%.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
It is about 70% Outside and 30% inside.
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?
None. We need it left open due to our wholesale business.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
All parts managers and counter people. It is watched very closely everyday.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
All retail priced. Only exceptions is if our Parts manager signs off.
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 are currently working on this right now.
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?
All managers go through the WIP daily and help each other keep it clean.
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)?
This info is all shared with and gone through by the parts 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?

We use Matrix pricing. We view it every day to watch for discounts or losses in gross.

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

Very rarely. This is something our parts manager would like to do more of.

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 use repair link, Ford Accessories, Nissan Simple Part, and all of our front counter people receive leads.

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?

Our parts personnel have access to all Ford provided training. Does not sound like much else.

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, a new process is being implemented early next week.

16. What would help you sell more accessories?

Implementing a process to introduce our sales customers to accessories.

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 review this monthly.

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?

Monthly discussions with the office and frequent bin checks.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

Our parts people understand about 70% of what a lost sale is. We use our DMS to track lost sales. Our view is that a lost sales is when a customer comes to us looking for a Ford part and does not end up purchasing a Ford part from us due to not having it readily available.

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

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?

Wholesale returns is our biggest contributor to frozen capital. We have \$421,000 in frozen capital.

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 use RIM to control phase in/phase out.

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?

8.5

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

DMS specific training.