

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, he doesn't have any formal training in parts.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, the dealership has a vision statement "Family Drives Everything." We do not have a department 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? **No**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **48% inside and 52% outside split**
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 parts employees need to talk to the Parts Manager before any parts pricing can be adjusted.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Counter person and back counter. But they need to talk to the Parts Manager before it is changed.**
7. Are you at Retail pricing for Internal? **Yes.** Who established your Internal parts pricing policies? **Ownership.** Are they current? **Yes.**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? **In Canada we are governed by Mack and Volvo. The part pricing is set at 10% on major components and 30% on everything else.** If not, when was the last time you petitioned the OE for retail reimbursement?
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. **No.** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **No** What does this look like? **The general manager works with the accounting department to ensure parts and invoices are up to date and paid. Also, the general manager works with the parts manager to ensure work orders are closed and paid.**

10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? **Yes, the Parts Manager has access to the financial statement through the DMS and can view it at any time. He reviews daily.** If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)?
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?
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
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?
14. What sales training is available to Parts personnel? **OEM Parts Courses and Online Webinars.** If training is available, is it mandatory? **Yes.** How often are sales skills assessed, tested, and refreshed? **Training is ongoing and whenever a new course is released it is completed by all Parts Staff.**
15. Do you have a process to offer accessories to 100% of your New and Used customers? **No.** If so, what does it look like? If not, why not? **We lack space currently and do not have any accessories in stock.**
16. What would help you sell more accessories? **More space for parts display and storage. We are building a new building and want to get into this area of sales.**
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?
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes. Approximately \$2500/ person/ day.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We complete an annual inventory count. Also, we complete random bin checks every second month.**
20. Are lost sales being tracked in your DMS? **No.** Do you have a common definition that all counter people understand? What is your definition?
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customers are not coming back and picking up the parts. The customers wait until their truck comes back to the shop to have them installed if it isn't**

urgent. The customers are contacted as soon as the part arrives and are contacted 3 times thereafter.

22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? **Multi pack parts such as bolts/nuts/washers.** What is the current dollar value of your obsolescence? **\$48,545.**
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.)?
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?
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?