

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)? **The parts manager went to Texas for training for a few weeks.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We use the coin as a guideline and follow all that meets our customer standards**
1. 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 fill rate for the back counter is 92%. We run usually in the 88%percentile**
2. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Internal aprox. 30%**
3. 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? **Sap is designed to put parameters on user logins to prevent this**
4. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **parts manager only**
5. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes Set up by corporate**
6. 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? **N/A**
7. 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? **Parts has an open order list that is looked at weekly to keep the open ticket count down**
- 8.
9. 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)? **Parts Manager will pull the financial statement are review at the middle of the month**

10.

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? **Corporate helps us set this up, we want to be competitive.**

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Corporate send out monthly flyers so we cannot track this at local dealership**

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? **These are transmitted to the dealer automatically the orders that require further investigation are sent to the inside sales person who handles their accounts.**

14.

15. 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 offer Training online at any given time for any employee, for each department, sometimes the department manager will assign the training needed.**

16.

17. 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? **Yes we will offer accessories, sometimes we will had deals for customers buying a new truck or used truck**

18.

19. What would help you sell more accessories? **Nothing really, we do really well on advertisement**

20. 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 look at these every quarter. There is a balance between their gross profit that determines "how many deliveries" and such**

21. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **At least a 19% gross profit on the average of tickets.**

22. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We cycle count every day and the variances are looked at daily, then I will write them off. It is tracked in the gr55 of SAP**

23. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No Sap does not support lost sales.**
24. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication with the customer**
25. 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? **Not doing timely returns with the vendors and education of returns from customers.\$278,000**
26. 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 DIA and Parts Eye to complete the bulk of our ordering. We also utilize month returns to remove the phase out**
- 27.
28. 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**
29. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Provide more staffing, allow us to be more competitive on the pay scale.**