

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)? **None. SWIT parts employee for 18 years.**
2. Does your **Dealership**/Parts department have a Vision statement that all departmental employees know and understand? What is it? **CCC = Customer, Cooperation, and Can-Do**
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. This is something that he is interested in tracking. Shared parts metrics and calculations from class. The PM thinks the FTFR is > 90%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **25% Inside/75% Outside**
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? **Policy is to get manager approval to price below level 4. Manager reviews the pricing/override report no less than weekly.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Phone room, parts counter, and managers**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No. Parts directors. Yes.**
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. We haven't.**
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? **No. The old process was recently reinstated. The Controller reviews the WIP monthly and discusses any old items with the managers. Expenses are accrued for comeback and L&D over 90 days.**

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. A DOC is provided as well as access to a dashboard in our DMS. The parts dashboard displays several metrics.**
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? **To have fair market prices that allow us to compete and make a reasonable profit. Reviewed daily. Pricing is always a subject of conversation since we have a diverse customer base with a variety of needs.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Marketing manager with parts director. Reviewed monthly.**
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? **Repairlink via OEM. Email is received by several phone room staff, including the parts manager. They all work on filling the orders. A report is reviewed weekly for open items, customer complaints, to make sure the orders are legitimate, and to clear out duplicates.**
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? **Learning management system via OEM is mandatory and has some sales training. The parts director recently created an internal parts academy. It is not mandatory. Most of the training available to the parts department is more geared toward parts knowledge, what we sell, not "how" to sell.**
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. Company culture. Planning in progress to drive parts and service business through sales.**
16. What would help you sell more accessories? **Sales training. Cross-training with service/back counter to help sell complimentary parts components.**
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. Monthly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, but not something this parts manager tracks. He looks at daily sales for his store, as a whole. After our discussion, he is interested in breaking the sales numbers down by employee.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Annual physical inventory. The Parts director reviews inventory reports weekly. He reports corrections to the controller for**

adjustments. After the physical inventories, the parts director works with the controller to reconcile and make the adjusting entries.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No. We have a local PDC with twice-a-day orders.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **PM doesn't have an issue with this.**
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? **DIA return criteria. We are working with our OEM to improve these criteria and implement programs to help alleviate our OBSO. Parts can lose their return eligibility over time, with no notice. Certain parts have package quantities. Ex. A package of 50 bolts and 3 sold, we cannot return the remaining 47. Current OBSO value is ~\$350K.**
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.)? **4 in 12. Participate in return programs provided by vendors. Make managers aware of the programs and have the order team assist in the process. Periodically check non-stock inventory items and question the status. Move slow inventory around to different stores to try to move them. The balance is to play within the guidelines as much as possible without hamstringing yourself. For example, avoid slow movers with large package quantities but returning slow-moving parts within the program time frame is a must to maintain balance. We also have the luxury of having a PDC and a large internal warehouse in our backyard, so that can help eliminate different stores overstocking themselves or ordering bad inventory.**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Training. It is the assumption that you know what you are doing.**