

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)?
Honda training though out the years
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Take care of our best customer (service)
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, 98% based on DMS not manually. Found out we are not tracking this correctly
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
72% inside 28% 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?
Exceptions reports can be run. The part manager runs a gross profit percentage report and looks to see if any gross profit percentages are out of the norm
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
All parts employees
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes, we are at retail and the owner/GM controls the pricing.
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 above, we are at cost +76%. We are due for another increase at the end of this month.
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?
Yes, we do this daily to make sure we are on top of all paperwork. It gets looked over by the manager and then passed to controller

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)? He gets the financial statement month but goes over it daily in reverse risk.
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 run our pricing off a matrix. This is reviewed monthly though Honda parts update.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? We have a full-time team who manages our website that is in house, and coupons are updated 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? Yes, it is mandatory though Honda called the dream shop. All parts employees get the form fill off the website
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? Online university though Honda and it is mandatory they are all at 100%
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? Only on new we must have an accessory cell sheet signed and presented.
16. What would help you sell more accessories?
Pre-loading, offering them at a discount to new sales customers.
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, every time a credit on a return is checked with history of customer to see if we are going to do business with them.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? \$1,673 parts manager did not. Used work sheet from NADA
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We count 2 bins a day and check corrections. If a correction needs to be made it is relayed to our accounting office from the parts manager. He will frequently take part to see if we are counting correctly.
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 do not.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service department follow up, they are just getting lost at this point.**
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? **\$2,897.21 we are under**
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 look at the phase in and phase out report daily and decide what we need to phase in or out. Honda does not have a recommended stocking guideline.**
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? **SOP process is the biggest thing we can focus on at this point.**