

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)? *Ford training, in person.*
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. And No.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *90% 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? *3. Only 2 people, both have access.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Only Parts Dept.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Yes. Parts Manager. 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. Last Year.
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. Reviewed daily + reconciled. Manager closes tickets and reviews daily.
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)? *Parts Manager reviews the DOC daily and gives the report to management.*
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 base pricing on Ford's retail pricing. Everything else is 40% GP.*

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? *Not until NADA school. No coupons are out there. Hours are checked by Management when they feel like it.*
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?
No.
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? *None. Besides Ford Certification.*
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? *We have displays for accessories. It could be better.*
16. What would help you sell more accessories? *Up to date display / Better. Better process, viewing station upfront.*
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. Almost every transaction
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *He knows that it is low for his department and more than doubles it.*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Spot check on a daily basis. Random checks on slow days. Adjusted on a case by case basis.*
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? *Yes. Lost sales, real ones.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Service + Techs actually getting the job done.*
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? *Yes and No. Poor return policy through Ford.*
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.)?
~~3/10~~ 3/6 phase in. 3/9 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. because it's Automate.*
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? *Better Communication / process*

PARTS HOMEWORK – ACTION PLAN

- S** Specific **M** Measurable **A** Achievable **R** Relevant **T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?
Example: "I will decrease my 5K run time from 30 minutes to 21 minutes by June 15."

S M T

We plan on increasing counter sales by 10% by Oct 2024.
Current counter sales are \$12750 as of May 2024 financial statement.

How does this goal align with or support your dealer's vision?
What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?
Why is this goal important to you?

R

Having the right parts the first time is an unwritten rule in our parts department. For the most part, I believe we do it. Counter sales is probably one of the only aspects that my Parts department has direct control over, so that will be our focus. I know it can be hit or miss on availability, but we need to do a better job of asking for the sale at the counter.

PARTS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?

S M A T

I will track this by line 5, page 5 of the financial statement. I will check on a monthly basis until the goal is met.

Potential Obstacles?

A

Foot traffic, as with sales, can be a factor. Asking for a part that can be had (not obsolete) can be an issue as well.

Potential Solutions?

A

Regardless of the situation, we have to ask if they want to buy it and remind them that we have factory warranty on our parts.

BOTTOM LINE! What is the financial impact (expressed in dollars) of achieving your goal?

S M R T

By acheiving our goal, we will impact the bottom line. They avg 25% gross on parts sales.

CONGRATULATIONS! You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.

S A