

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

Add Commercial Parts and open on Saturdays for additional Sales

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

Growing the Parts department to help absorption Rates

more Sales = More Profit if Margin on Sat Correctly

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

S M A T

*Additional monitor additional Sales Center
By both Commercial and the Addition of
Ext. Hours*

Potential Obstacles?

A

*Employers
Cost of Ext operation*

Potential Solutions?

A

*hire
Right
manage costs
of operation*

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

S M R T

*Additional Salary of \$2000⁰⁰ per month and
cost*

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

*monitor the Progress of Commercial Sales and
Adjust Accordingly to maximize Profit*

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 University*
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? *No (RFR) 90%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *80/20*
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? *2 man team - verbal communication*
6. Who can change/override parts pricing? Cashier? *Service Director/Manager? Service Advisors?*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Yes John*
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? *No*
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*
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 monthly*
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? *List*

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and 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 / Yes / Both of us*
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? *Stays / Ford University*
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 Need to work with sales to implement one.*
16. What would help you sell more accessories? *maybe some displays*
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? *Not a wholesale dealer, so not much cost involved*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *\$ 2,111.40 combined*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Cycle count*
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 don't have part and cust buys it elsewhere*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *with so many backorder parts the time for order to fill is great and getting the customer back is hard*
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? *\$ 44560.67 service is biggest SOP cost.*
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.)? *(in) 3 in 12 (out) 1 in 12*
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*
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?