

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)? *Our parts Manager has attended manufacturer-specific training programs. We might consider exploring additional training modules, such as online courses, to stay updated on the latest trends and technologies.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Our department's Vision statement is: "To ensure that every customer receives the right part, done right, on the first attempt" we could integrate this vision into regular team meetings and visual reminders around the department.*
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. Using the DMS we were about 88% FTFR. Will perform excel template to determine FTFR*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *46% inside. 54% outside sales*
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? *We have controls in place, restricted access to pricing adjustments and regular reporting audits.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Currently, only the Parts Manager and Service Director can change pricing. To maintain consistency, we could establish a formal approval process for any pricing changes.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *No, we are not at Retail pricing for Internal parts. Our Internal pricing policies were established by ownership.*
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 are currently at retail for warranty.*

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, these managers meet monthly with the Office Manager to review WIP documents. They ensure all parts invoices and repair orders are closed out within 30 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)?
The financial statement is reviewed monthly, but we provide a daily operating report for more immediate insights. We might benefit from a more frequent review of key metrics to stay agile.
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?
Our strategy is to maintain competitive pricing while ensuring a healthy margin. We review our pricing goals quarterly and adjust as needed. We could conduct a yearly competitive analysis to stay ahead.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
We audit our Parts web page monthly. Coupons and business hours are reviewed and updated as needed.
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, we have an online eStore. Email leads are directed to our parts Manager, who ensures timely responses. We could consider setting up an automated response system to acknowledge receipt and set expectations for follow-up.
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?
Sales training is available and mandatory for new hires. We currently assess sales skills annually and refresher courses and role-playing exercises to keep skills sharp.
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?
Yes, we offer accessories to all customers through a scripted pitch during their visit.
16. What would help you sell more accessories?
Continual training on product knowledge and sales techniques. **Promotions:** Running targeted promotions or discounts on accessories. **Display and Placement:** Ensuring accessories are prominently displayed in-store and online
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, We Assess sales volume, gross profit margins, return rates, and overall profitability every three

months. Determine if the revenue generated justifies the costs and efforts of maintaining the business relationship.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, we now utilize the breakeven analysis. This formula helps calculate how much each salesperson needs to sell daily to cover their costs.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Conduct physical counts of inventory at scheduled intervals. Report discrepancies to the accounting office via variance reports**
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 are defined as instances where a part is requested but not available in inventory.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Inefficient follow-up procedures for notifying customers when their parts are ready can delay pickup or installation. Working with the bdc manager to implement a process**
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? **Overordering non demands parts. Now working with third party to unload obsolescence parts**
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.)? **Parts ordering based on demand forecasts, market trends. Manufacturer recommendations are manually filtered to meet dealership demand.**
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? **Provide ongoing training and professional development opportunities for the Parts Manager.**