

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. Just real world experience.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? – **Dealership does but not dept : The Right Way Every Day**
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. We only go off the DMS/OEM reports RIM**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? – **About 50%. \$1.8 million in August with \$900k being wholesale.**
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? – **Codes are set up for pricing discounts, but no one can change pricing or adjust pricing codes.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? – **Only Dept MNGRS can adjust change or override pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? – **No, we are not. Cost + 60% for retail and cost + 40% for internal.**
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, we are not. Last petition was the 1st quarter of the year (2024)**
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 have a receivable meeting once a month.**

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)? – **Yes the FS is provided to the Parts Manager.**
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? – **Pricing strategy is NO DISCOUNT on retail part sales. Not often enough, but I do check wholesale vs retail pricing.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? – **I don't. Need to do this, but not very familiar with it. Hours are adjusted by Zach (GSM) when 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? – **No, we do not.**
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? – **Yes. It is provided by Mark of Excellence - OEM**
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 not really. (We offer it on the new car side occasionally but it's not at 100%)**
16. What would help you sell more accessories? – **Better process and more awareness.**
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 reviews.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? – **No, I do not.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? – **Perpetual and reconciliations.**
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, they are.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? – **Timing. We only have until 3pm to order SOP and then having the techs come get them.**

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? – **SOP not being used / \$230k obsolescence for last 12 months.**
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 use RIM.**
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? – **Time and Understanding.**