

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)? **GM training through Global Connect**
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, looking at our DMS, it appears that it is 79%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90% internal**
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? **Parts manager controls what responsibilities counter people are given to adjust pricing and that is overseen by our controller**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager, counter people, and service manager can change parts pricing**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at retail pricing for internal. We had an outside company come in and suggest we make that change a few years back**
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? **Our warranty rate is 90% of our retail labor rate. Last time we petitioned for an increase was 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? **Not well enough. It usually occurs towards the end of the month telling our service/parts manager what WIP needs to be closed or why it hasnt**

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)? **It is not**
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 do use a price matrix. We check a few times a year but not consistent enough**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not that often**
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? **We are signed up with GM E-Commerce for accessories. We have a generic parts form and that is handled by the parts manager**
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? **Parts manager gets new hires set up with global connect and GM online training.**
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 do not**
16. What would help you sell more accessories? **Hold sales accountable to ensuring they are offering 100% of the time. We do have an accessory wall. Mandate that all customers have to the opportunity to view it and determine what they might want to add. Possible add a sales to accessory handoff where parts department can have that conversation with the customer**
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 even though we do not have that many wholesale accounts**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Weekly Bin checks. Training parts counter people to check in incoming parts correctly, matching the part number with the invoices**
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**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication with Service that the part arrived as well with the BDC to ensure the customer gets scheduled in a timely manner**
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? **Had a bad policy from a previous manager. 325k**
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.)? **No, developing a process**
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? **6**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Better training for entire department mainly counter people**