

## 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)? **COMPLETED OEM TRAINING INCLUDING SPECIFIC REQUIREMENTS AND BEST PRACTICES**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not have a formal vision statement, but we always adhere to the principle of "Customer First." We recognize that our customers needs are constantly changing, and we strive to cater to those needs in every aspect of our operations from fixed to variables**
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, we have tracked our First Time Fill Rate manually due to CDK being down, and we have been recording it by hand. Our current FTFR stands at 65%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **About 19% is Wholesale, Roughly 80% is from Service**
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? **Access to pricing adjustments is restricted to authorized staff (GM, Accounting, Part Manager) can make changes. Additionally, we utilize Exception and Deviation Reports to monitor any pricing modifications, allowing us to review and address any unauthorized changes promptly**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only Parts Manager can change/override 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 Internals, which was just Adjusted earlier this month. Pricing policies are 20% over cost.**
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? **We just**

**Petitioned to OEM for Retail Reimbursement, which typically take about 90 Days for Approval.**

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? **No, but will get weekly email updates on WIP along with GM and Warranty Clerk - Any Open RO's greater than 4 days will get an update for reasons why.**
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)? **Financial Statement does not go to Parts Manager but Does get a Daily DOC that is updated daily along with expenses.**
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? **Regularly review our pricing against market trends and competitor pricing to stay aligned along with OEM suggestions.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Unfortunately, our dealership's Parts web page is not regularly audited. However, we do update coupons on a monthly basis to ensure they are current.**
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 do technically have an "eStore" but more of a customer information sent and Counter will call or email.**
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? **Unfortunately, there is no formal sales training available for Parts personnel aside from the mandatory OEM training. While we provide hands-on experience, there aren't specific assessments or refreshers for sales skills at this time.**
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? **I have just implemented a procedure on the variable side where all customers review a sell sheet that must be signed off. This includes a walk-around with the Parts and Service departments to discuss available accessories.**
16. What would help you sell more accessories? **Offering package deals or discounts on accessories when purchasing a vehicle could also incentivize sales.**

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? **These reviews are conducted quarterly, profitability of each account and make decisions about continuing or adjusting our partnerships**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$2847**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Regular physical counts and audits, reconcile discrepancies promptly, and maintain a systematic approach to inventory management through our DMS.**
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, but implemented leaving customer notes on saved quotes for follow up**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service Advisor / Tehcnician forgetting about the ordered Part**
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? **My Total Frozen Capital is Roughly over \$323,000 from CIT, Customer receivables, Warranty receivables, Excess Used Inventory.**
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 assess market trends and customer feedback to determine appropriate stock levels. As we phase out older or slow-moving items, we ensure to follow factory-recommended stocking guidelines**
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? **5 as I am learning to drill down on the DMS**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Training would enhance product knowledge, improve customer interactions, and boost overall sales effectiveness.**