

## 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)?  
*Previous dealer group had training seminars every 3 months for Parts and Service. Volkswagen training both monthly on-line and quarterly in session classes at Training Centre.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
*No. Working on it now.*
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 have never tracked it manually. The DMS says 97.3% but does not believe it's correct.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
*Guessed 66%/33% after running the manual report came in at 69%/31%*
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?  
*Privileges set up by role. Currently Front and Back Counter people can change pricing along with the Service Manager. Review override report daily.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
*Parts Manager, Front and back counter advisors and Service Manager*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
*We are now!! The Parts Manager established our pricing policies. They are now!!*
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, Never have*
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?  
*The Service Manager and Controller follow up on Work in Process but not the Parts Manager. Couldn't tell me the process.*
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. The Parts Manager has access to the DOC and reported on daily.*

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 have Matrix pricing set up with low-cost items being marked up the most tiered 6 levels. We check the pricing matrix quarterly against secret shopping analysis against same OEM Parts department.*
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
*Not very often, Coupons are managed by the marketing department who just use service specials in Parts,*
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 do have a estore. The leads go to all Parts personal. The first person available emails the group that they are handling the lead. There is no measure in tracking response times. Parts Manager does review the lead responses daily.*
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?  
*Volkswagen Academy has a mandatory module on sales training. It is mandatory. Sales skills are not presently being assessed, tested or refreshed.*
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?  
*Not really a process. We rely on the sale department to sell accessories. The parts Department helps by making sure all showroom vehicles are accessorized and Spiff programs on certain accessories that don't have profit margins.*
16. What would help you sell more accessories?  
*More training with the Product Advisors and more support from the Sales Managers*
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, Every time an order is made.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
*Not before but now we do the Breakeven report so each person knows there goal.*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
*We have good SOP's that all parts employee 's follow, however we are not doing good perpetual counts on a regular basis. Also we are not doing monthly reconciliations but will start moving forward.*
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?  
*Having all the parts advisors do the lost sale questionnaire showed there was no common definition. We met as a group to discuss and it was amazing the different opinions. As a collective group we defined loss sale as an opportunity to sell a part that we simply did not*

*fill. No matter what the part is. They do not determine it based on judgement ie 1971 Beetle door handle.*

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

*All of our problems always deal with communication.*

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?

*Because we are a new store, obsolescence is not in effect...yet. Certainly not having our phase in and phase out along with days supply not implemented in our DMS has caused Frozen Capital.*

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.)?

*Phase In - 3 Hits in a month, working towards 3 hits in 12 Months. Phase Out 0 Sales in 11 months. Because we use Auto Part (Volkswagen) it prompts us before we do our order and replenishment order hence using it as a guide. This allows us to make better educated decisions.*

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 Need to explore "Parts Out of Stock (Manual Order Status)"*

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

*Training... We need to invest in our Parts people if we're going to get them to succeed. This can be done through external sources like NADA and internally by devoting time to reviewing processes and results on a regular basis.*