

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)? **No formal training. He does have a master cert through FOMOCO**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not.**
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? **91.48**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **79%**
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? **Price override report is run daily. Any price adjs over 10% need manager approval.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts employees, parts manager, GM, Fixed Ops Director.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Ownership, Fixed Ops Director – policies are current.**
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**
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, weekly meetings are performed.**
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)? **Not the financial statements. We have a nightly pace text, and a weekly management meeting discussing sales and gross profit.**

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? Retail pricing strategy is based off of a sliding matrix. The percentages are monitored daily.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Web page – every couple of weeks. Coupons – every month.
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- emails come to our controller and 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? Weekly training to all parts personnel. It is mandatory and based off of observations from the previous week.
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? "Employee Pricing" the day of purchasing a new/used car and every deal comes with \$250 towards the parts department.
16. What would help you sell more accessories? More in stock vehicles with accessories to display.
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? Our wholesale program is in its infancy stage. Reviewed weekly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? No, but we will put that in place.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Any and every part coming into the dept is posted to inventory, regardless of mfr. All inventory is relieved through the DMS. Variances are reported monthly to EOM reporting, but tracked daily.
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, Yes, any part where the demand cannot be met within 24 hours.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Customers filling appointment times.

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? **Previous parts manager's inexperience and excess ordering from fear of running out. This is our parts managers 4th month here.**
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 demand is 2+ in 180 days. Phase out is no demand in 90 days.**
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? **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **All he could ask for, he is provided. (Yes, he said that).**