

## 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)? **First class, prior to this none at all. Worked at O'Reilly's for 10 years so that would be only experience as it is.**
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? **Prior to this class had not tracked it before**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **88% inside, 12% outside sales**
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? **Not really sure... I'm the only one billing things.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Just myself as the parts manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are now, we went to retail on internal just before I took over the parts department back in June of this year.**
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 are at 64% currently.**
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? **We do a monthly spreadsheet that goes to our controller and GM that shows all open ROs**
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 actual report no.. but I do have access to tools that allow me to see the majority of the information displayed in the financial statement**

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 just sell at list or 67% over cost. Will do a little bit of flexing to secure a sale but not too often**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Never done this**
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 use revolution to help manage our estore. It all comes to me via 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? **Have quarterly training requirements that have to be met.**
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? **Possibly try and work them into deals to get vehicles sold. We do somewhat decent on after sales floor mats but nothing major.**
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? **Not in major depth no. Do keep an eye on how much customers purchase vs returns though.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do now**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Weekly bin counts. We go through all the bin counts at least 4 times a year in addition to having a physical inventory done.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **They are yes. "If we could have made a sale provided we had the part on hand."**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customers returning to get parts ordered installed**

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? **Current OBSO is at \$13,000.. biggest cause would be ordering items sold as multiple MSQ but only selling 1 or 2 out of them it appears. Can fix this by selling by MSQ amounts only, or looking into other sources to get the needed amounts.**
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.)? **Current phase in is at 3/12. We are on ARO so we check this daily to keep things in line. Currently we rely solely on ARO to handle our ordering.. but are starting to use our DMS to keep an eye on things are well. But this has just been introduced.**
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? **I would say a solid 6 or 7.. I am new to this but I am slowly getting the hang of things.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Communication is key.. better communication between service and parts, and techs and parts. Getting sales managers to also understand that parts is here to help their customers would also help out a lot.**