

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)? **None other than on the job training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **There is not any Vision statement for parts.**
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? **The Parts Manager literally asked me what does first time fill rate mean? So, they do not track.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **The Parts Manager said about 20% comes from outside and when I asked how they get this number, I was told that she will pull RO's on a sample basis and then run the percentages.**
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? **None that the Parts Manager was aware of at this time.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Fixed Operations Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal pricing is 10% over cost and it was set by the last Parts Manager that has been terminated for four months 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? [The Parts Manager stated that the Service does pricing, and Parts has no idea what that is. They are unaware when the last time or even if a petition was completed.](#)
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? [Parts Manager states she closes them all. She has a binder that she keeps with all of the WIP documents and highlights them when they are complete.](#)
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)? [No.](#)
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? [No.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Was unaware even if we had a web page for 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? [Parts Manager states the GSM gets all of these leads and does not know anything about the procedure.](#)
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? [None on all of these questions.](#)
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? [The Parts Manager states all of these are done on a We Owe from sales.](#)
16. What would help you sell more accessories? [Parts Manager states N/A because it does not go through parts.](#)

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? [The Parts Manager stated they do not review because they have lost many of these customers and trying to get them back.](#)
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? [Only process is when they do inventory counts and they update the information when it is counted.](#)
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? [The Parts Manager said having the Technicians come and get the parts to do the work.](#)
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? [The Parts Manager said refer to question 21 and not sure on the obsolescence dollar value.](#)
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.)? [Does not have one or has never heard of phase/phase out.](#)
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? [Has never seen one of them so would be a 1 ranking.](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Clearly training. There have been many changes over the last 4-5 months in our service department. Everyone has been replaced other than the current parts manager who was the parts assistant and now has been promoted to parts manager.](#)