

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)? **NADA Academy, Penske Management and countless OEM training classes.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Sell everything!**
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? **Yes... Been a while. Fill rate calculations are complicated and subjective to who is asking. How Honda calculates it is different than NADA...Corporate (Penske etc...) and DMS. We just report the DMS. Same Day FR (Service RO only)** What is your current Repair Order FTFR? **85.2**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 62% / Outside 42%**
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. All monitored through exception reports**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Counter people only**
7. Are you at Retail pricing for Internal? **Yes** Who established your Internal parts pricing policies? **Collaboration with our General manager** Are they current? **Yes**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? **Yes** If not, when was the last time you petitioned the OE for retail reimbursement?
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. **Yes.** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **Yes.** What does this look like? **Managing WIP is just part of our Fixed-Op process. We really don't need accountings involvement**

10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? **No**. If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? **Yes**
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 a pricing matrix we review regularly**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly**
13. Do you have a Parts online eStore? **Yes**. How do you ensure that parts order forms/queries are responded to in a timely manner? **2 employees dedicated to e-commerce**. Who gets the email leads/questions? **Myself and these 2 employees**
14. What sales training is available to Parts personnel? **Manufacturer**. If training is available, is it mandatory? **Yes**. How often are sales skills assessed, tested, and refreshed? **Rarely**
15. Do you have a process to offer accessories to 100% of your New and Used customers? Yes. If so, what does it look like? **All New Car Customers are "supposed" to be presented with an Accessory Sell sheet and have an accessory conversation with the customer before they go into the box**. If not, why not?
16. What would help you sell more accessories? **100% participation in Q15**
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? **Yes**. How often are they reviewed? **Monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Never run that calculation...no**
19. What procedures do you have in place to ensure inventory accuracy and integrity? **Perpetual Inventories and EOM reconciliation with accounting**. How are variances communicated to the accounting office? **They are not!**
20. Are lost sales being tracked in your DMS? **Yes**. Do you have a common definition that all counter people understand? **Yes**. What is your definition? **If you can't hand it...hit it. (Pretty sure I got that from an NADA instructor. 😊)**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers to return for them. PrePaid or not can be difficult.**
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? **We have neither**. What is the current dollar value of your obsolescence? **\$3500.00**

23. What is your phase in/phase out strategy? **3 demands in 12 months trigger a phase-in. With our DMS (Dealertrack) this is a manual action we take each month to “consider” moving to active status .Phase-out is 9 months.** How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **AHM has no published Phase-In/Out criteria, but in class they recommend the classic 3 in 12**
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? **10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Nothing**