

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)? *Jimmy has never had any formal training. He started his parts career on the parts counter.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Yes. We provide exceptional customer service, making you feel right at home.*
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 FTFR is tracked manually at the end of each month. Our current Repair Order FTFR is 64%.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *(57.58 V.S. 42.42)*
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? *Any discount of over 7% must be approved by the parts or service manager. The parts and service manager must approve it in DMS.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts manager and Service manager.*
7. Are you at Retail pricing for Internal? *Who established your Internal parts pricing policies? Are they current? Retail, Wholesale, and Internal have all been set by our dealer principle with the service director over the last 60 days.*
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 just had a warranty audit last month, and we discovered that it was the perfect time to petition our OE.*
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. We have experienced RO's being open after the internal jobs have been completed. We had*

to pull our service and parts managers together once a week. This has eliminated our internal issue and improved on the retail side also.

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)?
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? 1st & 16th of each month.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? What an eye-opening experience during class. We have implemented a new process that includes reviewing parts and coupon pricing monthly just like our sales department.
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? Process changed from leads going to the BDC. To now they all go to the internal parts counter.
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? Our service manager, who is also in class has taken on that role. It is mandatory that all participants must report for training on Wednesday and Friday for an hour.
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 bring all customers who purchase vehicles to the parts department being they receive rewards points for their purchase that they can spend instantly.
16. What would help you sell more accessories? Stock more of the new inventory model.
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? We review this information monthly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? \$1726.88
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Parts & Service hard close at the end of each month, and Accounting EOM close on the 15th of each month.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
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?
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.)?
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?
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?