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# N460



## 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)? *FACTORY TRAINING COURSES*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
*"Genuine Honda Parts at your Comfort Zone" YES we try our best to help*
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?  
*Long time ago, was at 95%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
*Inside 55% vs 45% out*
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?  
*ADJUSTMENT setting in DEALERTRACK*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
*PARTS MANAGER & ASST PARTS MANAGER*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
*YES OUR CONTROLLER*
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 above Retail, 1 year ago*
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?  
*NO - MANAGERS stay on top of it on their own*
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 - Controller supervised*
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?  
*MSRP Plus 7% / We are currently competitively priced in our District*

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Once A Year

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 "Dream Shop"

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?

FACTORY

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?

Yes, Sales Dept has books and brochures in waiting Area

16. What would help you sell more accessories?

Collaborating with Sales Dept.

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?

Yes, Quarterly

18. Do you know how much each of your Parts salespeople must sell each day just to ~~break even?~~ \*Regional Retail

NO, We have minimal Parts counter Personnel Store Structure

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Physical Cycle Counts & Weekly Returns

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, manual review

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Customers not Returning for service

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?

Non-Returnable parts.

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.)?

3/12 9month

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? 7

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Support the Parts Manager, when other Dept. Managers want to Bully there way to what they want.