

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 Parts Manager class, NCM Parts MGMT, 22 year Army Retired.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Not a formal one, but all are trained to Use the VIN to ensure the right part the first time. Respect everyone as you would like to be treated.**
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? **No**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Do not know**
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? **Needs attention**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **All counter personnel that have my authorization. This has to be done to meet service menu pricing. We also honor military and senior with a 10% discount.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **NO, GM has the ball on this we are at C + 31%. This has been discussed and needs to be revisited.**
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? **NO, we are at 70.1% GM has Contract for company to apply for more from KMA. (labor and Parts)**
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 sends over to the office at the end of the month the oil inventory, work in process and tire inventory if discrepancy she contacts me. (Business office is off site across the River.)**

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 financial statement is not given unless asked for, feels it should be. With respect to the office staff are scrambling to close then we're on to next month. Parts manager does the calculate the monthly gross profit and budget month end and sent to Office.*
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 price break escalation with a phase in at list +10%. Last worked on in June of last year, I see there is an opportunity to adjust the scale.*
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? *We just launched a new one and we are working on more coupon/specials.*
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? With the new web site I currently am receiving leads. *We have set up a department e-mail that we use for other wholesale sites/feeds. We can tag by color what salesperson is handling, Parts manager likes the competitive aspect.*
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? *KIA has courses that are mandatory, although they are very Vehicle sales orientated. There is an annual Parts Course. CDK has launched some courses, I have not got into them yet, unsure if an additional cost.*
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 have a rolling display with hitch floor mats chargers in the main show room. (With large QR code that brings them to our accessory website. We also have a display and brochures in the part boutique along with QR code.*
16. What would help you sell more accessories? *Preloading a Vehicle in the show room, nothing beats the touch and see.*
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? *With the large footprint we service area, Parts manager does not want to cut off the little guy they are on a price matrix escalation. The accounts receivable report is gone through monthly and COD's daily. The driving factor of business partnership is a paid statement. Heavy return customers will wean themselves with our 20% restock fee.*

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? [Needs attention](#)
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? [Needs attention](#)
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? [When Advisors are given the P&A the A gets forgotten with our PDC so close, 2 days the parts are here. With KIA's 7500 miles or six-month oil change, the oh I'll just schedule with next oil change is the easy answer. The message needs to be to keep your vehicle in the best care, I can schedule you now. A lot can happen in 6 months, sold accident stolen etc.](#)
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? [Special order Parts and accessories.](#)
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.)? [needs attention](#)
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? [8.5 with CDK.](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [What would help both Service and Parts is if our business office was in our building not over the river and across town. \(Pretty sure Sales would love it also\)](#)