

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**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes we have a vision statement, all employees are not aware of it. "Persistence is the key to success in serving our customers and our employees."**
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, 81% according to KPI measurement through Excede**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Not sure**
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? **Password protected to change any sale price**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager, Office manager, General Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, Corporate, yes**
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 receive 26%**
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?

Send out WIP reports weekly to prevent month end turbo close.

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)? **Yes all is provided to the parts manager. We discuss weekly current state and review monthly financials when available.**
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? **Corporate parts team controls pricing levels across all stores based on customer.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly review with retail 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? **Yes, Parts Asist powered by Mack/Volvo and Truck Parts Direct. We receive email communication to the whole team on all orders that are input.**
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? **Mack/Volvo, HDA University, Vendor specific training, Signature phone training. Monthly phone screening.**
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? **No current process in place**
16. What would help you sell more accessories? **Training and stocking accessories. Collaboration with sales department.**
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? Not a huge percent of our business. Very minimal.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes 21,147.78 total. 5286.94 per sales person**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Cycle counts and research any adjustments. DMS system communicates automatically.**
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, Any thing that we don't have in stock that we could have sold if it was.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication to let them know it is here and stay on it.**

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? **Bad purchases, inheritance from dealer acquisition, emotional purchases. \$124K?**
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.)? **Monthly returns with vendors, running 7-8 month aging reports to plan in advance items to move before obsolete.**
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? **More training!!**