

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)? *The parts manager for our main branch has 40 years of experience with the company, but has no formal training. Our parts manager for our sub-dealer location has completed the Fixed Opps course with ATD, but has no other formal training.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *No, unfortunately, our dealership does not have a vision statement at this time.*
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, we have not. Currently our FTFR is between 65%-80%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
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? *Every employee has a different level of access to in the DMS – from parts level 1 to parts manager. Parts counter staff are at a level 1 or 2 so they are not able to adjust inventory or pricing whatsoever and do not have access to reports.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Only the parts managers can override pricing.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Yes, retail for internal. The parts and purchasing managers determine parts pricing policies and are reviewed as much as possible.*
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?
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? [Not every month but when the WIP is off, the controller will usually say something about it.](#)

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 parts manager reviews daily operating reports.](#)
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?
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Not often.](#)
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? [Through our OEM we have an online parts store that works with our DMS for our customers to view our inventory and make parts orders.](#)
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? [All of our employees have access to many different sales and parts professional training through our OEM academy and are encouraged to review courses as much as possible.](#)
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? [Our new and used truck department works closely with parts to source all of their upgrades and accessories. Generally, the sales department works closely with one of our counter staff to ensure all their needs are met.](#)
16. What would help you sell more accessories? [Weekly department meetings to see what sales has going to make sure that the parts department has everything they need.](#)
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 don't have many wholesale customers](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We do on going cycle counts to make sure our inventory is as accurate as possible and review daily inventory adjustment reports to see what changes were made and why. Accounting has a generated report that has all the variances/discrepancies listed](#)

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, we track lost sales. If we can not fulfil the customers order at the time of placing the order, it is a lost sale](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Getting the customer back in to get them.](#)
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? [Parts that were not sent back on a return in time. We also had several bulk orders during COVID and these were not turned around. Around \\$1 million](#)
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? [4](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [More parts management training, monthly meetings with the Controller](#)