

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)?
30 Years GM experience. Dealer Fixed Op Academy.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Yes.
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. 91%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
46% Inside 54% Outside.
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?
Anything below MSRP needs parts manager approval.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts employees only. (With approval from parts managers)
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Matrix pricing. VP of Fixed ops for the dealership. 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?
We're beyond retail. 6 or 7 years ago was last time. No need for it.
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. Yes. Once parts go on RO service responsible for closing them out. Parts responsible for closing as many invoices as possible.
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. Once a month.
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?

Matrix pricing. It's a sliding scale based on costs.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Never. Operation manager does. Coupons get reviewed on monthly basis.
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. Assistant parts manager does and responds immediately to inquiries.
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?
Center of learning which is quarterly training that needs to be done by parts employees and is mandatory. Annually, perpetually, annually.
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. Accessory specialists T.O. customers at time of sale. We also have new owners appreciation events where we upsell.
16. What would help you sell more accessories?
Clear and concise process in sales.
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, weekly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
Yes, \$7800 department wide everyday.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
We have an inventory clerk. Parts manager makes adjustments from there.
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. Yes. Normal stock part not available.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
Backlog in service due to industry wide shortage of technicians.
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?
We don't have a lot of OBSO. \$167k.
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.)?
It is set by DMS. Phase in 3/12. Phase out no demand for 6 months in stock for atleast 9 months.
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?
9.

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

Updating the facility such as work spaces, new equipment, etc.