



## 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.**

### Adam Russell, Parts Manager – January 8, 2025

1. What formal parts management training does your parts manager have (for example, the ATD Academy Seminar)? **Mostly training through Navistar/International Parts training dating back to 2000, and before that – a lot of on the job training when he began at the back parts counter servicing the service department.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No.**
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)? **20 years ago this number would have been reversed, but today only about 1/3 of our business comes from Inside, and about 2/3 from 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? **All of this is handled in UUP in CDK (Adam is also our lead in interacting with CDK.)**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The Service Director (although he isn't supposed to without a conversation with the Parts Manager first), the Parts Manager and Assistant Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, we have special pricing for internal set at 20%, but we've been known to adjust that when necessary.**
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? **Honestly, I'm not sure anymore. One of our former owners who has since passed away was more involved in this. It was at 33% margin for warranty, but I'm not sure now.**

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 and no. The Parts Dept. closes every invoice every month with very little carry over if ever. This looks like the Manager and Assistant Manager looking to see what is open and staying on top of it to get it closed, sometimes bringing it to the Sales Department. Service and Body Shop WIP are not closed like this, and it can through all our numbers off.**
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)? **It used to be, but isn't anyway. It isn't worth the paper it is written on.**
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? **Depending on the customer we have 3 levels of pricing, including Fleet and Major Fleet. We don't need to check to see if the pricing goals are being achieved because these are set in the system, and the sales staff cannot change anything.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We do not have a Parts web page. We advertise with flyers quarterly, but online business is nonexistent for us.**
13. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **Navistar/International offers a lot of parts training and it is mandatory for our staff. Sales skills are not often assessed and this is probably something we can do better at. There are tools we've used before like Carnegie Sales Institute.**
14. 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? **This sounds like something more geared to auto dealers and doesn't apply to us as a dealership.**
15. What would help you sell more accessories? **This sounds like something more geared to auto dealers and doesn't apply to us as a dealership.**
16. 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 sell to any wholesale customers.**
17. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, we typically exceed that number by so much it hasn't been relevant for us to check.**

18. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We perform perpetual bin counts 3-4 times per year. Only the stock clerk, Assistant Manager and Manager can adjust inventory. Things like that. The accounting office sees financial adjustments on their side when we adjust inventory numbers on ours.
19. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Lost sales are tracked in CDK. We do have a common definition. Our definition is if the customer goes somewhere else and buys the part.
20. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Our biggest obstacle is the shop getting jobs back in to install the parts. There doesn't seem to be a good process for this. I'm not sure customers are regularly called. In terms of the SOP shelves for over the counter sales, we walk by those bins to get to our desks. They are not out of sight so they are top of mind.
21. 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 we ordered for the shop, maybe big money items, that customers didn't come back for. Our current OBSO value is \$300K, but a lot of stuff has been put in here that doesn't belong - parts from our other fire/emergency business - so this number isn't accurate.
22. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, RIMPRO, STOCKPRO, etc.)? Phase-in is 3 in 12, but International DIA will phase something in with no stocking guidelines. Phase-out - if we have had something in stock but have not sold it in 4 months, it will be phased out. We have to sell 3 in 12 to keep it.
23. 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? He said 9. (I say 10.)
24. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? If everyone had better input into the leadership of the company. We used to have managers meetings and those were good. We were more on the same page and communication was better. We do one-offs now. I know people are busy, but it is worth the time.