

Parts Manager Questions 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. In collaboration with your parts manager, interview, coach, and answer the following the following questions that pertain to topics you discovered in class. Confer and provide suggestive actions. Provide your answers in a different color font.

Does your Parts Manager have any formal Parts Management training does your parts manager have (like for example, the NADA Academy Seminar)? Navistar online Manager Training courses, 2020 Anti-Corruption Training?

1. Does your Dealership/Parts Department have a Vision statement that all departmental employees know and understand? What is it? Operate Efficiently and take care of our customers to the best of our ability.
2. 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. Pretty low on average.
3. Do you know What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 25% Inside vs. 75% Outside
4. Do you have 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? The Parts Team collectively uses their knowledge/judgement
5. Who can change/override Parts pricing? Cashier? Service Director/ Manager? Service Advisors? Parts Team only
6. Are you at Retail pricing for Internal? Who established your internal parts pricing policies? Are they current? We are currently at Dealer Cost + 20%. Company established long ago.
7. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? If not at retail, when was the last time that you petitioned the OE for retail reimbursement? Warranty margins are around 32%. Petitioning for reimbursement is rare.

8. Do the Parts, Service and Body Shop Managers ~~along work~~ with the Office Manager/Controller ~~monthly together~~ follow up on all Work in Process (WIP) documents ~~monthly. Do they, and~~ verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? Yes, Parts will compare invoices to the front office statements at the end of the month. Push for RO's to be closed out if possible.
9. Is the financial statement for the ~~P~~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., ~~being~~ provided to the ~~P~~parts ~~M~~anager for review (DOC)? Yes, reporting is given to the Parts Manager monthly and reviewed together with the GM.
10. What is your retail pricing strategy for your ~~P~~parts department? How often do you check to see whether your pricing goals are being achieved? We try to maintain a margin of 1.42 in order to achieve a GP of 30%. We discuss our progress at the end of every month.
11. How often do you audit your dealership's ~~P~~parts web page? How often are coupons, hours of business, ~~etc., looked reviewed at~~ and updated? Not enough re: the webpage. We run bi-monthly flyers and have an online parts store platform called "repair link" through Navistar. It does not get a lot of attention in our market.
12. Do you have a Parts online eStore? ~~if not, are~~ How do you ensure that parts order forms/queries are responded to in a timely manner? and ~~W~~who gets the email leads/questions? Yes, Repair Link. All inquiries currently go directly to the PM. They are few and far between.
13. What sales training is available to ~~P~~parts personnel? If training is available, is it mandatory? ~~and~~ How often are sales skills assessed, tested, and refreshed? Navistar provides and demands online training courses for parts personnel. Usually refreshed every 3 years or so.
14. Do you have a process to ~~present offer~~ accessories to 100% of your ~~n~~New and ~~U~~used customers? If so, what does it look like? If not, why ~~not~~? No. Need to coordinate with Truck Sales I guess.
15. What would help you sell more accessories? Better displays, Sales bringing the customer through the parts dept.

16. Do you review your wholesale customers to see if ~~their sSales, - and gGross, per customer,~~ and returns, justify the expense of conducting business with them? How often are they reviewed? Yes, quarterly.
17. Do you know how much each of your ~~P~~parts salespeople must sell each day just to breakeven? No
18. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We currently do monthly cycle counts and spot checking. We are also putting a plan in place for a monthly reconciliation with accounting.
19. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Yes, though we could be better at it. Per the quiz, we have not been on the same page but will be going forward
20. What is the biggest obstacle ~~to in~~ getting your Special ~~-~~Order parts off the SOP shelves and installed/picked up? Getting the customer to pick up, though we do not have much of an issue there.
21. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is ~~your the~~ current dollar value of ~~your~~ obsolescence? Think we have about \$150k in obsolescent parts. A lot of which did not get returned in a timely manner years ago. We also have some inventory leftover from our days as a GM medium duty dealer that they would not take back.
22. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? 3/12 to phase in and use the system to auto phase out. We are in about 85% compliance with DIA.
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? 6
24. What is the one thing that your organization can do, or provide, to help ~~you do your the~~ Parts Manager do their job more effectively? Keeping enough staff to allow me to be able to do my "managing" job.