

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? **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?
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **88% inside vs 12% 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? **Manager and front counter advisor can void and alter price. Parts manager only one who can change quantity. The exception report is reviewed weekly.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager and front counter advisor are only two who can change pricing. There are only three people in parts department so the two senior members of the department both have the ability to change prices.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Comptroller.**
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 petitioned and received a rate increase which was effective September 29th. We went from 111.62 per hour to 123.61 per hour and from 40% markup to 68.01% markup.**
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? **We have been working on our WIP and closing tickets. We have some repair orders which stay open too long waiting for ordered parts to come in. The cashier edit reports and**

reconciled to accounting on a daily basis. We make sure parts statements are current each month.

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 has a doc to review on a monthly basis. I am going to start giving him copies of the financial statement.
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? We currently have a parts matrix. No discounting is allowed. The Parts and Service Director and Comptroller are the only two people who can authorize a discount should one be necessary.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Parts web page is horrible.
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? We do not have an E-store. We use the GM accessories link to our website. A customer has to send an email to us for a quote on our website.
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? GM training is required for all parts department personnel. Sales skills are not assessed, tested or refreshed.
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. When tried in the past we didn't follow through on our process and it failed.
16. What would help you sell more accessories? Update to website.
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? No.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? NO.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Any shortages in inventory are billed out as policy work against the parts department. This insures the accounting side is posted. All overages are reported to the accounting department immediately.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? NO. All quotes that do not result in a sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Getting customers back in the store.](#)
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? [\\$56,911.85 for over 6 months no sale. Ordering of wrong parts is biggest cause of frozen capital and/or obsolescence. Technicians shot gunning the problem with parts and occasional parts ordering wrong part.](#)
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.)? [RIM](#)
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? [10](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Quality personnel. One person needs to be replaced.](#)