

## 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)? **MNI Parts Management – basic & advanced, multiple times**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, it is our dealership Vision statement which is “Focused on People, Passionate about Audi”.**
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. About 90% - calculated on monthly trend report.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **60% inside ; 40% 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 counter people have a profile set by Asbury which allows for pricing changing.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **All Parts personnel only.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, MSRP. This was established by Parts Manager, Service Manager, & GM.**
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? **Yes we do get full MSRP on all warranty parts with the exception of Goodwill and Spare Parts Warranty. Unknown when we last petition OE for money above MSRP.**
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. For parts, weekly review/cleanup of open and pending invoices. For service, we do a WIP Review twice a week until the last week of the month where we review WIP daily.**

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)? **No statement. Do have access to all financials via QlikSense application and I do receive a daily fixed report for my Service Manager with previous day performance and monthly trend.**
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 based on cost. Probably could be a bit more aggressive.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Seldom. Have tried many different specials in the past. Never had much activity.**
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? **No eStore. Had one for a while, not happy with the ROI.**
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? **Manufacturer has a required certification program. Most sales curriculum is not directly related to parts.**
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. Was never able to sustain sales dept buy in.**
16. What would help you sell more accessories? **I believe increased employee engagement for all departments would help sell more accessories.**
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 monitor return rates, reviewing specific customers when processing their returns.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Haven't done the math on this.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Cycle counts, open orders reconciling. Monthly inventory reconcile is presented to accounting manager.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **We use an RPG report to list all parts added to the system but never ordered/sold in a time period. We then post a lost sale for each of those.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Not a big issue here as we have a pretty good SOP process but getting customers back in the store can be a challenge.**
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? **Wholesale parts returns can vary wildly. Current non-returnable over 12 MNS is \$0, total 12MNS id \$10225.**
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.)? **Phase in 3 in 12, phase out 1 in 9. We have always performed well within Audi's SSA (suggested stocking assortment) program.**
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? **Every store and brand is so different it would be difficult to establish a general training program for different parts dept roles. However, I believe a good phone and customer service/sales training programs would be effective.**