

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)? **Two-day Jaguar workshop 6 years ago.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Unfortunately, we do not.**
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, we have not tracked FTFR manually or repair orders.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90% Inside and 10% 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? **Parts counter people all have access to make changes. Parts Manager believes in allowing them to make decisions depending on customer situation. Parts Manager looks at the DMS Audit override report weekly.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **All Parts Counter person has the access to change depending on the situation they encounter.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, we are at retail pricing for internal. This was established by the owner of the dealership.**
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 are at retail pricing for warranty.**
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? **No**

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, but not discussed or reviewed**
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? **No strategy as it was already established prior to his arrival by the owner.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **He has never visited the dealership website.**
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, we do not have a parts online e-store. If the customer fills out an online inquiry it goes to the BDC.**
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? **We do not have any sales training.**
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, we do not have a process to offer accessories to New and Used vehicle customers.**
16. What would help you sell more accessories? **Pre-load all vehicles.**
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, still getting settled in at the dealership.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Parts Manager thinks each of the four parts counter has to sell \$1,560 daily to breakeven.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **He notifies the accounting department if he is short or over on parts count.**
20. 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 not being tracked every time on the DMS but would like to track this once he settles in. This will definitely help order properly.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Calling the customers.**

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? **Excessive returns by the body shop and special orders from warranty RO's. Current parts obsolescence is at \$39,600**
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 is 3 in 9. Phase out is 0 in 6**
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? **8**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **We need to hire 2 more parts counter person.**