

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)? **One NADA school and a few 20 Group meetings.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
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)? **80%**
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? **Cannot change cost and ask manager about discounting. Checks reports daily.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Manager only. All access blocked from others.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **At 38% currently. Parts Mgr established pricing and are current.**
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? **Higher than retail. Around 5 years ago.**
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. We do a monthly recon.**
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, manager receives a report monthly and also has access to DOC daily.**

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? **40% and checked daily.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly**
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? **All advisors receive e-mail notifications.**
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? **All training is provided thru Chrysler and Dealer Principle. Sales skill training is Web based.**
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? **Yes. Use brochures to offer Sales dept ideas and pricing.**
16. What would help you sell more accessories? **Get sales dept. to WIP in deal. Offer access. during purchase of vehicle.**
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. Will start after this class.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Now I do after this class.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Perpetual inventory (check qty as part is pulled). Advisors go to Parts Mgr if any variances. Outside inventory company comes in once a year. E-mail accounting office about variances.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Yes, lost sales are tracked by DMS and checked daily and monthly from Mgr report. Def of a lost sale is "Did the customer go else where to buy part because you Did Not Have" If you order or purchase from else where for that customer, it is Not a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Not pre-billing 100% over counter and service dept RO's. If customer is charged up front they Will come back.**

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? **Parts not being pre-billed. Don't know \$\$\$ of obsolescence.**
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.)? **Check special orders daily and stick to ARO guidelines for the most part.**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Our owners do an outstanding job to provide training courses like this one. It's my job to ask them if I need help with anything.**