

## 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)? **No formal parts training, but a program is about to be started. Currently learn from on the job training and some OEM sponsored training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, but Asbury has adopted one vision statement "Be the most guest-centric auto retailer".**
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? **FTFR is tracked both manually and in DMS, for manual, estimated rate is 90%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75% comes from inside and 25% from 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? **Counter people can change pricing, but need sign off from Service Advisor and are also directed to stick with pricing matrix.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Advisor or Service Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, at Retail and is set by Parts Director and VP of Fixed Operations**
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? **NA**
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, but today it is more of a manual process relying on going over reports together (manual).**
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, Parts master trend and aging reports go out monthly and should be reviewed, but varies by store.**

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 pricing with a markup applied based on cost of part. Reviewed monthly based on Gross Profit.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Should be reviewed weekly, but not good controls in place to make sure this is happening.**
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? **Several stores do have online Parts; Parts staff receives, reviews orders and/or follows up directly on leads.**
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? **No formal sales training available. Training provided by Parts Director and other experienced employees.**
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, all new and used customers should be introduces to Parts and offered accessories.**
16. What would help you sell more accessories? **Ensuring that staff selling accessories is incentivized in pay plan and pooling commissions so the can make as much as wholesale person just answering phone and getting most of business.**
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? **Yes, should be reviewed monthly/quarterly but no formal process/control in place.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, based on Gross for whole department (evaluated on total gross).**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Monthly reconciliation and cycle counts and annual physical inventory, results are communicated verbally and via report.**
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 and Yes. Total Demand – Filled – Customer Orders - Emergency Purchases = Lost Sales.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Having a manual process that relies on parts staff to review reports and**

call customers. Installing new process through Xtime that automatically notifies customer that part is in and schedules appointment.

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? **Special order parts, incorrect orders and very liberal wholesale return policy.**
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 sales in 12 months and phase out 1 sale in six months. Does not reference stocking guidelines.**
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? **Depends on person but generally 6-7.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Positive culture, less turnover in other departments, more training and more involvement and communication from GM and Service Advisor.**