

## 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 training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes-Support all the departments in the dealership to get the parts needed ASAP**
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? **Never tracked manually**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **91.3% inside 8.7% 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? **No securities in place at this time**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Mgr and Parts Counter as far as I know**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Cost + 40% for internal Cost + 10% for accessories and tires internal**
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? **Cost + 87.95% for warranty last evaluated in 2020**
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? **Verifies open parts invoices daily to get them closed but does not work on open Ros at end of the 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)? **Gets a copy of the financial parts and service stmt monthly and reviews in a monthly managers meeting and reviews 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? **Matrix pricing to achieve a 50-65% parts margin on retrieval RO**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Does not do does not have experience or knowledge**
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? **Yes, parts mgr and parts counter are all emailed**
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 but are all at 100% trained within GM each year**
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 that is handled within the new and used car departments**
16. What would help you sell more accessories? **There is an incentive to service advisors to sell accessories but the new car department orders the most common accessories on the vehicle at delivery**
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 do not have much wholesale business and we are not attempting to get into this**
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? **Monthly oil inventory reported to office mgr, parts and tires are done yearly and reported to office 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? **Yes Put a lost sale in every time we don't have the part in our inventory and don't overthink the process**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customers to 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? **SOP not picked up, parts returned by techs and customers with opened packages and mistakes when ordering**
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.)? **No strategy because we have 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? **6**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Understanding all the processes in the parts department and a better understanding of job description and expectations**