

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)? Only some parts manufacturer class room training.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? No
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. This will be the first time
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 75%
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? We do not show counter people how this is done
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Parts Manager and one parts counter person
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Not retail pricing. The general manager establishes internal parts pricing. Yes they 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? We are not
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 our office manager does follow up on WIP documents and she does be sure they are closed out in a timely manner as well as the parts manager and the service manager. Each make sure of this in their respective departments.
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)? Nothing is discussed with the parts manager

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?
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
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? Does not. only online parts inquiries are answered by the parts manager only. Parts manager and the internet Honda sales see the online 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? training is available on the manufacturer website and for CDK. It is mandatory for completion. Skills are refreshed and tested 3 times a 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?
16. What would help you sell more accessories? The sales people can present to their customers accessories Honda has to offer.
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 do a lot of wholesale to do this
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? The parts department does regular Bin counts to ensure accuracy of the inventory. The communication with accounting office is currently being set in place
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 being tracked. I do not have a common definition in place right now. I do plan to work on this
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? To get the customer to come in when they have an appointment set up and/or are notified. Pre paying for all parts is currently being put in place as well.

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? The biggest cause would be the advisors diagnosing the customer's concerns over the phone and having the parts department order the parts. Current dollar value is \$13,976.65 which is 9% of the inventory
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.)? Currently working on a plan for this
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? Someone is always willing to help