

## 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)? **NADA Academy 2 times plus has attended parts mgt seminar.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Mission statement – not Vision – Deliver Memorable Experiences**
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? **Use DMS(only did manual when in parts class) Repair order is 84.5%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Internal 40% and External is 60% - large internet and wholesale operation.**
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? **Run override report for counter people**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service is unable to change pricing. They can only utilize discounts.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Not at retail pricing for internet. We did go up 5% last year. We still have opportunity in this area.**
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? **5 years ago we enrolled in retail reimbursement.**
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? **Officer manager runs monthly reports to close out invoices. Managers are help accountable to make sure no revolving WIP.**

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)? **Parts received monthly financial statements and has full access to review reports on sales and gross. They have full access to see their department.**
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? **Check monthly to see if goals are being achieved. It is not showing to be off then we look to tweak pricing.**
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? We do have an estore & all counter employees receive notifications but we have a designated person that responds back.**
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? **Yes – sales training and it is mandatory when we offer it. We didn't asses as often but making changes.**
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? **We send out mailers but during the purchase nothing is offered unless customers ask. We do offer GM Rewards but not all sales employees emphasize this. An area of opportunity for us.**
16. What would help you sell more accessories? **Consistent sales pitch – We need a process in place to help the customer understand GM rewards. This process will also help our sales employees understand as well so they can prep the customer appropriately.**
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 - monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes – all have gross goals and manager goes over goals daily.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Physical inventory once a year, Monthly report of gas, oil and grease and then share inventory with accounting.**
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 tracked. We just held a**

refresher training and did role play with counter people. Definition – when parts requested and we don't provide that is a lost in sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Having customers come back in for service. Walk in customers we will mail to customer if they don't come in.**
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? **RIM control – Items not returnable. Around 125k and a lot under Rim control.**
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 hits in 12 months, Phase Out no hits in 9 months.**
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? **Communication, Bring harmony back within the departments.**