

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 but volumes of experience.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not but are actually beginning to strategize towards one backed with formal training.**
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 have prior to my NADA training.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **87.95%**
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? **All Parts personnel have the ability to change pricing with manager's approval.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only parts personnel have the ability to change price.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes they are current and the parts manager would bring it up to the GM/Owner for approval for such a change.**
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 a Retail Reimbursement dealer for warranty.**
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? **Monthly, Our Managers are very good at making sure that RO's are closed and verified prior to bringing them to the office manager for verification, sometimes with daily updates.**

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)? **Access to financial Statements are limited to senior management, Owner/President, Vice President, CFO, Office Manager. All managers have access to departmental DMS reports.**
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? **Our Parts Manager uses a Subaru Price Matrix.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We never really took a look at our Parts webpage. However, after taking the NADA Parts class, I'm scheduled to meet with OE Connection to potentially bring out parts department online.**
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? **At the moment we do not have a Parts eStore, we are hoping that OE Connection can provide such a product. However, I can tell you that all email leads are on a first come first serve basis regardless the parts personnel. Parts personnel is instructed to answer any and all inquiries within 5 minutes.**
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 provided by OEM for compliance purposes BUT, since the beginning of this year, we have started phone training for all departments.**
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 do not only because of the mindset, lack of training. I do have an action plan that will change this mindset and potentially increase accessories sales.**
16. What would help you sell more accessories? **Having the accessories more visible for one, the other would be to incentivize all personnel to sell accessories.**
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? **In the past we did not have a formal review of our wholesale customers. We do plan to begin a review process of our wholesale customers and strengthen the relationship of our top customers.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do after going through NADA's Parts Class**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We are 6 months into using CDK's Parts Scan which prints a report detailing the variances backed by the managers monthly 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? **They are now, our Subaru Parts department has been trained/instructed to begin reporting lost sales.**
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? **Consistent customer communication. Our BDC, with the help of shared Google Docs, has been instructed to communicate with the customer on a schedule basis.**
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? **Our OBSO is 12,350.15 (Feb Report), which is tied to our AR.**
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.)? **At the moment, they are using AIM and experience.**
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? **7/10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Provide better training, possibly sending our Parts Manager to NADA Parts School.**