

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 other than Manufacture training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **As of right now we do not.**
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? **First time was for this training. About 48%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **63% Inside/37% 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? **I check override reports occasionally and Online Transaction Journal as well.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Advisors, Managers, Director. Service has access to coupon discounts on RO's.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, GM and Dealer Principal established policy. Policies 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 hired Armatus to get us Warranty rate bump. May 2020 it became active.**
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? **I normally follow up with Parts Managers on open invoices. Service & B/S Managers work with Director and Office on all WIP. If I don't remind parts to close out, they might forget. Some service RO's stay open longer than they should if the customer is not coming back to get vehicle repaired.**

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)? **Managers do not see the financial statement but have access to gross profit which they are compensated on. I have access to DOC and can get F.S. from GM if needed.**
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? **Just started RMO end of March. I have been checking every couple days so far.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **I don't look often enough. I hadn't look at it for a long time, in fact until this class. Our marketing manager normally checks hours of operation, etc.**
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 not have an eStore. The parts email leads come to me and the managers and they get handled asap.**
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? **Only training available right now is manufacture training.**
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 have a process to hit 100% of New & Used customers. When Sales introduces Parts, it is often a "drive by" ... "That is the Parts Dept." unless the customer wants something specific right away.**
16. What would help you sell more accessories? **An Accessory Specialist would always help, but would be another expense. I will be making Point of Sales sheets for Sales Dept.**
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 don't do a great job at a review of all customers, but our Wholesale Specialist keeps track of most customers and reviews sales/returns when something seems out of line.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I know how to figure it after the training 😊 So, I sure do now!**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We have no good consistent process now other than when pulling parts, verify count and occasional bin counts. Variances are only given to accounting at EOY.**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **We do "OK" tracking lost sales. The parts people now use Lost Sales flow chart for guidance.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service Department prescheduling appointments.**
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? **Having 2 locations for same brand parts. Parts people ordering stock parts instead of having them pulled and losing ARO Guarantee status for on hand parts.**
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.)? **For phase in, we mostly depend on ARO. For phase out our main source is set at No demand in 9 months, in inventory for 12 months with avg demand of 1 in 6 months. Probably needs revisited?**
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? **It is now a strong 9+ after the Academy training 😊**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **I am going to have short meeting/training sessions with the 2 managers at least bi-weekly to go over the DMS Report, understand obsolescence better, basic parts department procedures, etc. to help them better understand the department a whole and be able to train the counter people better.**