

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)? **6 Months training. He was able to take some pointers from the parts and service manager before he left. Learning a lot of stuff on the fly by asking other local parts managers if he has a question.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **They do not. They do have a process where the customers and wholesale customers come first as they are very important. They help drive the business and if we do not treat them as such we will get a reputation of being difficult to work with.**
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? **They have not. In terms of fast moving parts they have those 100%. If a customer needs a headlight or rear strut, we normally don't stock those as they are more likely to end up as old age stock if they are not sold in 13 months. Our Subaru warehouse is good about keeping stuff in stock so if we do not have them, they are a next day item shipped overnight.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Currently the business is Inside: 90% and Outside: 10%.**
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? **Manager must approve discounts prior to sale and quote to the customer.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **All parts counter personnel can adjust pricing to include discounts. They need to be approved prior to the invoice or job being quoted.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal pricing is set up at retail.**

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? **Warranty is currently at retail pricing. This was last requested for reimbursement last year.**
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? **We get a cash clearing schedule monthly to review. If any invoices show a customer is delinquent.**
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)? **We have a daily report that shows parts sales and gross profit. It shows last years sales and what we are forecasting for the month as well.**
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 wholesale customers get 20% off list price. Our matrix system for our customers is 20% over list.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **They check the parts portal once a month. We currently have an online parts order form that a customer can fill out.**
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 respond to online inquiries immediately. Every parts counter person gets email notifications.**
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? **We work on our sales technique daily. We make sure we make the most of every opportunity.**
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 currently have a accessory sell sheet. This shows the customer the full price of the accessory (parts and labor price).**
16. What would help you sell more accessories? **If the sales department showed this to more customers and sold more parts from the counter rather than port installed 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? **We review our wholesale customers yearly. At the moment we don't have a lot of wholesale customers with a lot of volume so it's not worth it to look if it justifies us working with them.**

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **They do not.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do daily bin counts. If the part counts are off we do a monthly internal invoice they are billed to and sent to 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? **Yes. Currently they are defined as "Did we have supply to meet the customers demand?" If that answer is no, then it is counted as a lost sale. We do not count a quote as a lost sale as that is heavily dependent on the customer saying yes.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Phone calls. Our advisers have a tendency of ordering special order parts and not getting in contact with them again. They also do not schedule appointments at the time the part is ordered, which makes it difficult to get rid of that part if they do not come back for the repair.**
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? **Special order parts for customers that do not come back, and parts returned from wholesale customers,**
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.)? **If we see that a part sells consistently we will make sure we keep it on the shelf as a stock item. We have implemented this strategy on tires as well as we found we kept having to order the same tires for sold repair orders daily.**
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? **10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Staffing. They currently have a shortage of parts counter personnel. It is something that is being addressed.**