

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)?

Volvo/ Mack parts master's training

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

n/a, informs employees at meeting of what our financial performance should look like

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?

Do not have a first time fill rate reference to go off of. Would track as lost sales.

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

Around 50/50 for inside versus outside sales

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?

Certain employees do not have as many functions in our DMS according to their job role.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

All parts employees

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

Internal markup is set by our corporate team.

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?

This process is performed at our corporate level.

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. All our managers work together daily on wip control and statuses of parts on order

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)?

All department managers are aware of their financial status. Our DMS also lets us monitor this live.

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?

Pricing is looked at daily. Markups determined by vendor and customer receiving the parts.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Corporate has this function. We do not offer any coupons.

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?

Yes. Orders show up in our DMS and their route salesman handles them accordingly. Parts manager directly involved in this

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?

OEM training available. Have a corporate sales and service manager that provides training as well. No mandatory 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?

Yes, we have options as an all makes facility. We also have our own aftermarket parts line

16. What would help you sell more accessories?

Continue to push product knowledge to employees.

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?

No wholesale customers.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Do not currently know this.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Cycle counts daily that are updated by the parts manager. Parts manager personally receives some parts.

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, this is being tracked. If we don't have it, it goes down as a lost sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Communication with the customer.

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?

Around \$245,000. Causes would be over ordering of parts and not doing monthly returns.

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.)?

LPA handles this process if we are superseding correctly and monitoring 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?

10. all managers are aware of their DMS reports

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Assistance from accounting department and hiring a new parts director.