

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)? **My training has come from parts managers before me. I have had some training from gm representatives. Chuck Rosich, he was very strict and tear into me if I did anything I shouldn't have.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, we really don't have any vision or statements.**
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? **We don't normally track it.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **95 percent of our business is ro/internal/and warranty with very little body shop and counter 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? **I pretty much do most of the pricing. I have one person who works with me but hes not good on the computer at all so I handle almost all of it. Lot of it will be handled with the matrix too.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The service advisor cash out everyone customer so basically the advisor or the manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at retail pricing now. We just adjusted this after we saw how low we were.**
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 at cost plus 40 percent.**

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?
Our service manager closes all the ro's at the end of every month so we don't ever have WIP. Everthing does get closed pretty quickly.
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)? No, nobody has ever gone over that with me. I do go over the cdk statement to track gross percent of sale to see how we are tracking.
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? Use price escalator.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? I have never looked at it.
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? The only orders we get are from the ecommerce for accessories. We get a few orders here and there but a lot of the customers generally go through there salesperson or service advisor to order parts. When the part comes in I will let who ordered it know.
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 have never required or been offered training outside of the little that you get from dms systems and the manufacturer.
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? Sales department usually offers it. Seems like a lot of our customers just tell us what they want. We really don't have much of a process yet but Tony has been working with the owner to change this.
16. What would help you sell more accessories? We order a lot of lpo on vehicles so there's not a ton we can do I don't think. We have had issues over the last 6 months or so with availability so we kind of back off of accessories. Were hoping were going to be able to start ordering vehicles the way we were before covid started.
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, we really don't do very much wholesale at all.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Not really, its, just myself and a part time worker that helps me in the morning with orders and backs me up for a little bit here and there.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Once a year when we do a parts audit. We don't let anyone in our parts department. I generally have my hands on everything. We never have any issues in this area for a long time.**
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 not being tracked. We don't really seem to run into it very often. My opinion is a lost sale is when we are unable to get a part for a customer and they find it somewhere else.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Having the service advisors call the customers to schedule 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? **Ordering parts that weren't needed. Started taking a loss to clear out inventory. We started taking the 35% restock fee on a lot of stuff early in the process to be more proactive. Current obso 12487 over 15 months.**
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.)?Rim guidelines. **We are generally at 90% right now. We pay close attention to this program**
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? About a 7. **I have been working on this. I would say a 7.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Better training and understanding of the numbers. Set goals and review progress.**