

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)? **ADMI course and all Ford training courses**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, the dealership does not either.**
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? **Not for years. He feels he has a good feel of his FTFR and after completing the exercise he was within 15%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90% inside 10% 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? **Right now, not many controls. They can't make global changes or matrix changes. They have to make so many changes a day (with fleet pricing, etc) that they need the access. The Parts Counter people are very experienced guys, have been here a while and are trained. He trusts them.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Just Parts people**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Steve (President of company) changed it to 30% and it is not the same as 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? **We are not at retail reimbursement, but they petition every year. Just got raised to 65% of cost from 50%.**
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, Office manager looks at open tickets that are outstanding. Tickets that are open are only**

are only cash tickets, credit cards are paid at time of purchase. By the end of the month this is addressed, and she reminds the Parts Manager a few times before the end of the month.

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)? **Parts Manager runs his own DOC. Used to get FS, but not anymore. (Spoke to GM and President and getting him the FS monthly)**
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 structure mirrors service department which is retail plus 15%. He looks at the DOC monthly to verify.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **He doesn't audit it quite often there is not much to check. (We discussed changes I am making and when they will be implemented, he has zero interest in a Parts epage)**
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? **No, we do not.**
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? **Phone skill and sales techniques through Ford Certifications**
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? **Bob Wojtan the After-Market Manager is in charge of this. (But we are launching a new webstore for accessories that has an internal department process as well.**
16. What would help you sell more accessories? **Website sitting with customers pre-sales. (We are now launching this)**
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? **Constantly. He looks at Gross, returns, etc. and makes adjustments all the time. He doesn't have many wholesale customers, but needs to watch over them carefully.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, he does not. (I will be sending him the excel file)**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Accuracy, random bin checks several times a week. Fast moving parts audit daily. Negative on hand audited daily. Most big issues come out during physical inventory.**

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 spoke about this prior to this interview and he was not tracking lost sales, and didn't know the definition. He is now tracking the lost sales and has shared the definition with the worksheet to the Counter People. I will track this monthly.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting a hold of the customer. (prior to this conversation, I had service BDC take over follow-up. It has been live for about 2 weeks and we are getting great results)**
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? **Generated by the service department. Ordering a part just in case. About \$52,000**
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.)? **3 sales in month for phase in. Phase in was set by ADMI.**
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? **Dealertrack has no summary. He runs all the possible reports and states that he understands.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Getting a financial statement every month. Having money set aside after physical inventory to scrap excess parts. Follow-up processes for SOP.**