

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)? **Subaru online training. Speaking with my parts manager it became clear the vast majority of Training was "OTJ" No formal training aside from OEM "webinar" style.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not have a mission statement in the parts department. Our Dealership wide Tagline is "Where it's so nice to be nice" but we do not have a specific parts dept vision statement currently.**
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? **Have not tracked it manually. 89.64% Takeaway here is DMS is not Reliable enough to count on from a reporting perspective. The Dept is not currently tracking FTFR**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **92.84% vs 7.16% Financial statement YTD reflects these figures as accurate.**
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? **User Privileges . We do have measures/privileges in place for discounting access. Need to evaluate countermen Access.**

Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts Manager, Assistant Parts Manager, Parts Counter Salesmen. Verified
6. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at retail pricing for internal parts. Parts and Service Director established parts pricing. Verified**
7. 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? **Yes, We are at retail for warranty. Verified**
8. 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? **Ask when the month is complete so I can check WIP to see what posted . We do not currently have a comprehensive WIP follow up process, area of opportunity. All R/Os are expected to be closed at month end.**
9. 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)? **I do get a copy of the statement but it's not reviewed weekly. Daily sales operating report is not given to me. GP Analysis for Fixed Ops reviewed monthly as well as forecasting for upcoming month. Current DMS reporting not ideal for daily/weekly/monthly tracking purposes, area of opportunity.**
10. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved? **40% , check weekly sales history. We need to track GP% by category to ensure health across all channels. Do we have varying pricing strategies in place ex individual, matrix.**

11. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly. Observed limited content/updates on website. We can certainly enhance the creative, bring more relevant/interesting call to action. Google my business for parts dept specifically can be built up and help drive more website traffic.**
12. 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, We check them as soon as we get emailed of new orders. Email leads and questions come to all of us in the department. We just communicate to each other on who's taking care of the customer. Certain form leads are being directed to sales BDC, we can establish a better process to unsure parts personnel are receiving these opportunities more efficiently. We are utilizing a OEM provided/supported parts E-store which helps organize sales and track status/response etc...**
13. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **Subaru online training, It is mandatory for everyone to be certified every year. Little to no sales training for parts personnel currently, the OEM does provide parts specific training included in mandatory certification.**
14. 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 offer accessories to new and used customers. Will have to create a process for this. Focused on this for SMART action plan, incomplete process was in place.**
15. What would help you sell more accessories?
Having a process for new and used car customers to purchase accessories. Having them instock. Having accessories on display equipped on the vehicles customer are looking at is key. We also have both digital and hardcopy brochures and pricing information for both sales consultants and parts counter personnel to present.
16. 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? **Yes, Monthly.**
17. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do not. Per NADA parts workbook YTD expense/statement month/GP retention %/working days/parts consulatants.** What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Spot checks, perpetual bin counts. Monthly on a invoice. Monthly parts reconciliation process. Annual physical parts inventory.**
18. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Yes they are. If we have to pick it up or the customer goes somewhere else we log it as a lost sale. Consider conducting "save a deal " type meetings regarding lost sales with parts consultants, management, and techs to identify gaps and opportunities.**
19. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customer's coming back, scheduling. 1 week out sometimes Current lack of prepaid is causing customer pay SOPs to pile up and ultimately triggering potential obso. Techs "over ordering" can create inefficiencies with logistics.**
20. 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? **None returnable parts, some sop but not many. \$9,598.08 in obso about 2% Seems like we may be a little too "reactionary" and rely on generous OEM parts returns credits vs sound repeatable processes. Our obso number might look OK but how much total inventory \$\$ is "idle" at any given time?**

21. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **1 hit in 3 separate months during a 9 month period. Stock out 11 months no sale OEM stock order system tied to factory return credits and order discounts weighs heavily here.**
22. 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? **6-7 5**
23. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **More reliable DMS, up to date equipment. More formal training. More frequent meetings and better communication with fixed ops director/GM. Synergy with sales dept to inspire retail accessory sales and profitable internal business.**