

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)? **Participated in courses and training thru the manufacturer and also hired a consultant for the first few years**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Yes **"Extraordinary is servicing our clients thru our processes and not processing our clients thru our service"**
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 track overall fill rate current fill rate is 85.3 percent using our DMS**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **79% inside 21% 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? **We discourage discounting but we don't overly police it. This is an area where we have to be somewhat flexible with so many aftermarket warranty companies out there**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Bookers have some control thru discounts and coupons, other than that only parts specialists**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes we are at MSRP for internal pricing. It was set up by leadership, and yes its current**
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? **Yes we are receiving retail for warranty work performed, we are in the process of examining again now.**

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 this is discussed thru email reports and weekly meetings**
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)? **Yes I receive a DOC, not it is never discussed**
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? **We are trying to maintain a profit percentage of:**
- a) **40+ service center**
 - b) **26+ bodyshop**
 - c) **20+ wholesale**
 - d) **35+ boutique**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **This is handled by marketing**
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 online parts store**
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? **Training is offered thru the OEM, some is mandatory, the team chooses to take all courses even if not mandatory**
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 a process using Insignia, It's an online driven shopping tool**
16. What would help you sell more accessories? **A better selection from the OEM and better pricing**
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? **Wholesale accounts are monitored monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Between 3000-4500 per day depending on area of the department**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We have a vast number of inventory control measures in place, variances are corrected thru invoicing
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 we track lost sales, if a sale can't be made due to a part being out of stock that is a lost sale
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Getting the clients to come back in
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 not getting picked up. \$67,000
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.)? Phase in phase out varies by source and dollar amount. Could not make the two systems parallel so I adjusted RIM to 4 in 12 across the board as a safety net for popular parts
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? Authorize the help we need