

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)? **One Nada Academy Class in Boston, Triple Diamond Mitsubishi Certification.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, small department.**
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? **No, 70%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 85% Outside 15%**
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? **No policies in place.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Advisor, Service Director, Controller and Parts Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, Dealer Principle. Yes, they are 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? **40% Over Warranty. We have not petitioned the OE yet.**
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, go over parts statement.**
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, he does not get a financial statement; they go over the monthly summary report together.**

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? **Percentage over cost. Checked daily.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We are working on getting a better dealership parts web page, hours of operation are correct, no coupons for parts at the moment.**
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, Parts Manager gets notified and calls right away. Parts Manager and BDC Manager get the order forms.**
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? **New online courses every year it is 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? **No process at the moment, sales will sell accessories during the sale.**
16. What would help you sell more accessories? **Boutique, which we will work on once the new building, is all set.**
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? **We don't review wholesale customers. Every customer is COD.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No. There is 1 Parts Personnel.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Daily/Weekly Bin counts. Parts manager can go in DMS and update.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No. A lost sale to me is a customer purchasing a part that we don't have in stock. If we recorded a lot of lost sales Parts Eye would restock us with a lot of parts we don't necessarily need.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customers actually coming in for the parts, getting ahold of the customer to set up an appointment so we can install the parts. Also supply and demand, a lot of parts are on back order at the moment.**

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? **Supply and Demand. \$10,187.52**
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.)? **PartsEye, once a month.**
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? **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **A better set up, more shelves and room.**