

## 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)? **Currently attending NADA Academy N366 and currently N391**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No**
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. 88.31% (MBUSA measurement)**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **62.2% vs 37.8%**
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 don't have controls in place for counter people. We give them the freedom to do what's necessary and monitor their performance constantly. We do have an under-cost alert function that lets them know that they are selling under cost due to wholesale programs that reimburse up to 11% gross profit when selling to a wholesale outlet.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts advisor, dispatch can change it by altering op codes and also service advisors.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No. The GM does establish the policies.**
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 for warranty and we are in the process to obtain a raise that would put us on par with retail.**
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? **The**

accounting office generates reports that used to ensure that all WIP is closed on a timely matter.

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)? *We look at a DOC daily and also financials are shared and review on a monthly basis.*
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? *To stay within NADA guide and adjustments are made frequently in order to meet our pricing goals.*
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 reviewing all of those things monthly and are incorporated as part of our newsletter.*
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 director gets a copy of all inquiries and ensures that they are being responded in a timely matter.*
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 available but not enforced. Probably, this is our biggest area of opportunity.*
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? *It's part of our sales process and it's something that we need be inspecting more often as not all associates do this step.*
16. What would help you sell more accessories? *Working on stocking better selection and quality of products in order to sell more.*
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? *Absolutely. This is an integral part of our business. We use this information to determine our share of the market and areas of opportunity.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *We don't know what the answer to that is but will look into it.*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Perpetual inventory is what we have in place in order to ensure accuracy. It's adjusted to gross on a yearly basis when physical inventory is done.*

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? They are being tracked by the DMS. Our definition is when someone comes to the parts department and we don't have the part so they walk away.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Communication is probably the biggest obstacle.
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? Our biggest obstacle is non-returnable parts. \$70k is our current obsolescence amount.
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 3 in 9 month and phase out 0 in 11. We use StockPro and have the availability to reject parts as long as we are within the 90% guideline.
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? We don't use a lot of that information but we understand it on an above average level.
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? I believe that I have all the resources that I need to be successful and perform above expectations.