

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)? **None. Just the training he acquired from his manager 28 years ago**
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 vision statement**
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 have never tracked it in the past**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80/20**
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 what so ever**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager, all countermen, and the service manager can override pricing**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are now at full retail. I established this last month.**
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? **No. That starts the 1st of 2022 and we will be at full retail reimbursement**
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? **Office and service manager do this every month. The Parts manager does not.**
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 Nothing is reported besides the DMS report and monthly reconciliation**

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 use a matrix pricing guide and it is very seldomly checked .**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We dont**
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? **We do not have a parts online eStore**
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? **GM training is available and 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? **No. I am working on a plan and coming up with a process now to make selling accessories part of our sales process.**
16. What would help you sell more accessories? **Cheaper Manufacturer pricing and a process set in the sales department**
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? **Yes but it is not regimented**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do now after completing the NADA parts class but my parts manager does not**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Weekly Bin Checks and yearly inventory checks conducted by an outside company. There is no communication to the office except with the yearly inventory check**
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 are tracking lost sales but tracking to many according to NADA. We are working a new process into place to correctly track lost sales**
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**

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? **Lack of return reserve. Our Obsolescence is currently at \$61000**
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.)? **We use RIM guidelines and are looking into them more specifically to adjust them if need be**
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? **My parts manager says 8 out of 10 and it would be a 4 for me.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Help with ideas to figure out how to make the department more profitable**