

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)? **He said he has had formal training in the past, but could not remember what organization it was through. He also said the Ford and Toyota have both done training in the store but not FCA.**
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 and No Idea.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80% inside and 20% 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? **None but the manager reviews it every morning and ask questions when he sees that discounts were given.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts employees only.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No. It is Cost plus 40%. The Dealer Principle Established the internal pricing policies and it has been that was for 15 to 20 years.**
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 at 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? **Probably not. Probably Not. Service just doesn't do it.**

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)? *The financial statement is given to the Parts Manger but not discussed on a weekly or month basis. There is no other report given to the parts manager to review.*
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 Matrix pricing then suggested retail. The Parts manager checks every day to see where we stand in regards to 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? *The web page is rarely if ever audited, no coupons are listed, but ours of operation and contact information are listed properly.*
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 eStore. The Internet manager receives the email leads and sends them to the parts department by email and will call the parts department on the rare occasion when a lead comes in so they know to look for it. A Parts employee will then contact the customer as soon as they have the customer information.*
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? *The factory training is available to the parts personnel and is mandatory for them to complete. There is training at least once a month.*
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? *There used to be a process where the salesmen would give a tour of the dealership and introduce the customer to the parts department. However, the salesmen have gotten away from following that process so the opportunity to offer new accessories has declined.*
16. What would help you sell more accessories? *Salesmen being more informative to customers. Also Stocking more accessories that are in high demand.*
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, if they return 10% of what they purchase they are not worth doing business with. Review each customer when they bring in a return.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
No

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do bin checks periodically through out the month. Do not communicate with the accounting office.**
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. Yes. If the tech or customer comes to the counter and we do not have the part then it is a lost sale. (We then discussed Lost sales and I gave him the Lost Sales chart and explained it to the Parts department.)**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service not getting the customers back in the shop.**
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? **Service and Body Shops. \$42,000.**
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.)? **Currently do don't have one for ford and Toyota, but Dodge does it for us. (Hopefully we will be discussing and working on this.)**
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? **The parts managers understanding of the DMS is an 8.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Hold people accountable for their actions. If they are responsible for the part. Service ordering parts but the vehicle was not diagnosed and they ordered the wrong part now the parts department is stuck with it.**