

## 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)? **Toyota Master and Ford Master certified. Will take to NADA**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No. However we will develop one with the Parts Director. We have one for the company not individual departments**
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? **Manually no through DMS it was 95%. We will do this together as an exercise**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside is 43% Outside is 57%**
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? **Training, Asking questions and verifying information. We only have the Parts manager with manager access he also follows up and spot check daily**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Warranty admin, Parts & Service director and parts employees. Again we run a report to check for pricing changes and we ask questions.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes unless Service or Parts policy. This is set by the President of the company**
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 89% over cost. Myself and the parts director is actively seeking a review with the Manufacture**
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**

WIP is checked monthly. We have end of month deadlines on WIP so this is gone over with me and the Parts and Service directors bi-weekly

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 / DOC yes. I will go over statement with Service and Parts managers going forward
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 have a pricing Matrix and we check monthly. We will go over together to make sure we are on the same page
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 done on a corporate level. We have a Director of parts as well as a Director of Marketing. Along with the GM of the store we speak about promotions as well as routine audits of the site
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. We are currently putting together an 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? None. We have hired a company and we are currently putting together a training module for all stores and all departments
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. Every customer is shown a Mannequin model that shows what accessories we offer.
16. What would help you sell more accessories? An actual accessories department. We have a remodel coming and plan on addressing this issue
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 weekly. We do a very small percentage of wholesale
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes \$2500.00 per person per day
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Variances are booked monthly.

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...A lost sale is due to lack of inventory in stock. I plan on bringing my parts manager to NADA**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Returning service customers specifically warranty. We are discussing how to be more efficient in how we handle SOP**
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 customers not returned**
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.)? **New to RIM as we are balancing right now.**
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? **8**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Spend time focusing on having customers RETURN for unpaid warranty repairs vs focusing on getting new customers in the store. We will get together to discuss ways to improve**