

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)? *ATD Academy 2X/year; Leadership Training at Mack/Volvo; Parts Professional training at Mack/Volvo; Proceed training; vendor-specific training. Dealer group rotates Parts Managers through these classes.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

The Parts department does not have a Vision or Mission statement. The Corporate Mission statement for the entire Kriete Group:

Mission Statement

Our goal at each of our Kriete Truck Centers is to ensure you have the best dealership experience possible. Having your truck out of work is tough; it's our job to keep your spirits high and deliver honest, forthright and fair communications at all times.

Our corporate mission is to make sure all Kriete Group employees have the support and investment they need to grow personally and professionally, while maintaining the highest of business ethics and standards.

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? *Estimate FTFR is in the ballpark of 85-95% depending on definition.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *45% Inside; 55% 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? *Counter people are able/authorized to offer customers specific discounts but don't have system access to change price structure.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts Manager at dealership can set-up specific customer pricing levels. Dealership General Mgr & Corporate Management can change Pricing Tiers.*

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? [Yes, set at Retail and reviewed annually by Corporate Senior Management.](#)
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](#)
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? [Daily end of day WIP reports and weekly reviews with Directors of Parts and Service.](#)
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)? [Yes, review dealership reports including 10yr historical reports, KPI, data insight and daily reports.](#)
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? [Monthly reviews with weekly updates. Conduct competitive benchmark studies to spot check competition.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Historically this was done on an annual basis, but recently a marketing executive was been recruited to focus heavily on this area and increase frequency of updates.](#)
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, using Web Leads and dealerspike.com. Inquiries go to Corporate representative who forward to the local store and ensure responses are delivered within an hour or two.](#)
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? [Reference answer to question #1.](#)
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? [Witnessing a shift from accessories \(in the historic sense of the chrome and fancy lights that used to fill the showrooms\) to Brand swag \(Mack Bulldog clothing\) in showrooms. Meanwhile, witnessing growth in New and used truck ADD ON sheets to install special lights, mudflaps, chrome bumpers, etc.](#)
16. What would help you sell more accessories? [Reference answer to question #15.](#)

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, managed corporately. Export customers, independent service providers, wholesale distributors, etc. reviewed annually.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Yes, but typically if the sales are profitable, the dealership uses Sales per Employee as the measurement.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Daily variance report on billing and inventory and receipts. Only a couple dealership personnel have access to delete parts to protect against theft.](#)
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? [Lost sales used to be tracked in CDK but haven't been since the switch to Proceed in early 2021. Varies by location. There is not a common definition.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Getting customers to bring their trucks back is the biggest challenge. Looking at requiring up-front deposits, restocking fees, and extended hours of service to mitigate.](#)
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? [Manually and special ordered parts create the most obsolescence, followed by specific parts stocks for specific customers and wrong quantities ordered. Obsolescence currently running at approx \\$100k.](#)
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.)? [Managed corporately and with Vendor, product line and auto-replenish system via LPA.](#)
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?
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25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

[Support Corporate initiative to boost Outside Parts Sales \(OPS\) by identifying ways to boost profitability including:](#)

- [CPSA – customer product sales analysis](#)
- [BPSA - Branch product sales analysis](#)

- Analyzing product mix and usage and product line price points
- Share best practices across management group locations