

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)? **No specific parts training, training by trial and error/experience**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, Service is the Key to our success**
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, I am guessing less than 50 %**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **30 to 40% typically**
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? **The DMS allows manual changes to anyone logged in**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager/Service Manager (same person for now)**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, this change was made last year**
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? **Warranty matches our parts and labor customer pay, work with a company that negotiates this**
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, other than a backordered part or something out of the ordinary tickets will be closed at the end of the month and completed. We seldom have WIP carry over mo/mo**
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 they get a copy monthly and questions are**

discussed with the office manager/DP if needed. They are also gone over the first Monday of the month in the weekly parts/service meeting

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 the pricing strategy tree set up in the DMS depending on cost of part, the cheaper the part the more mark up**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **we have never done this to my knowledge**
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 an online parts store, the website leads go to the parts/service manager in an email if sent**
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? **Starting with the NADA Academy for me, future training will be implemented**
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, we work with the customers to customize their vehicles with accessories, we could do a better job in this area catching 100%**
16. What would help you sell more accessories? **Boutique would help, having more fast moving accessories on hand for the customer to "put their hands on the quality" for an easier sell**
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? **No, we have not. We do not have a large wholesale customer base and we need to work on picking up more customers for wholesale**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do not know the number, we only have one parts person**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We are in the process of selling obsolete parts that were acquired in the franchise purchase, we are also building a new building and all parts will be properly inventoried before finding a shelf**
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, I have a hard copy on my desk that records lost sales daily and they are entered in the DMS to help stock the right parts**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **We have implemented a 50% deposit for special ordered parts, customers are scheduled for repairs when they place the order also**
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 obso is huge, majority of the parts, we are currently working with Dealermine and a parts consultant to sell these**
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 is set at 3/12, we are not part of the ARO program, the DMS recommends parts from past sales and stocking quantity**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Communication**