

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 online OEM training. PM is a new to store and role, we will be scheduling him for NADA training in the future.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We are currently in the process of developing a vision statement.**
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? **Just in this class's post class homework. The FTFR was 68%**
3. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **76% of sales comes from inside vs 24% outside**
4. 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? **Fixed Operations Director reviews Exception/Deviation report weekly with parts manager.**
5. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Fixed Operations Director**
6. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal is a set to retail pricing per the DP, everything is current.**
7. 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 reimbursement for warranty.**
8. 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? **Fixed Ops Director reviews and monitors all WIP, ensures everything that can be closed is closed. PM provides parts reconciliation form monthly to office manager and upper management.**

9. 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)? **Parts manager has access to run DOC, parts department portion of financial statement is reviewed with PM upon monthly bonus review.**

10. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved? **On all ROs we charge 10% over MSRP, retail counter pays MSRP. We monitor GP% monthly.**

11. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We audit the page quarterly, Fixed Ops Director reviews with Marketing Director and updates coupons as necessary.**

12. 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 have an online parts store. We have a dedicated individual that receives, tracks and fulfills all orders, PM is back up and monitors with online sales employee daily.**

13. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **To be honest, the only training available is through OEM mandatory certification. We have never assessed or tested the sales staff.**

14. 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? **We don't but we should. I have always wanted to have a menu available for F & I with estimated monthly payment costs. I have never been able to get it off the ground for numerous reasons. We do a poor job selling accessories.**

15. What would help you sell more accessories? **Digital menu for F & I office and payment spiffs for F & I managers.**

16. 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? **We have a very small wholesale business that is very local and this is not a concern of ours. We monitor returns but do not have any issues. We look at this monthly.**

17. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes - \$3750**

18. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Daily bin counts, monthly PM**

reconciliation report provided to office manager to verify against GL and yearly outside physical inventory performed.

19. 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 are currently not being tracked correctly (or not at all), based on what was learned in the FO1 class we have to install a new process on tracking lost sales asap.**

20. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **This is a non-issue for us, parts department calls and emails immediately upon reception of SOP. I feel we have this under control and do a good job with the process.**

21. 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? **Parts that are non-returnable and/or body shop returns. \$6398.07**

22. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **Parts are phased into the inventory after three sales. Parts are phased out after zero sales within a twelve month period. The VW ASR system is currently being rolled out and will be assessed once implemented**

23. 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? **9 - always more to learn**

24. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Provide more training**