

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 Part's 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)?
 - a. **NADA Academy – Parts Week; Fixed Ops 20 group meetings**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - a. **Do not have an actual vision statement.**
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?
 - a. **Yes previously. Current FTFR is around 90-95%. Homework FTFR were 88%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - a. **Oct. 21 YTD 50/50**
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?
 - a. **Security measures are lacking. Everyone is instructed to avoid discounting at all costs.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - a. **Parts employees and Service manager. Service advisors can coupon the RO which would impact parts.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - a. **We are at retail pricing.**
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?
 - a. **We are on base markup. If we did pursued Warranty increase with GM, out labor would decrease drastically.**
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?
 - a. **We do not have a process for this. A process is needed.**

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)?
 - a. **Yes. Discussed weekly and monthly.**
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?
 - a. **Retail pricing strategy is GL list on OEM parts. Aftermarket parts are priced on a matrix.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - a. **N/A; Do not have web page.**
13. Do you have a Parts online e-Store? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions?
 - a. **Do not have an e-Store.**
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?
 - a. **We do not have sales training for parts.**
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?
 - a. **Not currently. We are looking at establishing one.**
16. What would help you sell more accessories?
 - a. **A regularly display.**
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?
 - a. **Yes. I try to review our customers regularly. Most of reviewed monthly basis.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 - a. **Yes. Learned at the academy.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
 - a. **Daily cycle counts. Monthly obsolescence disposed and sent to accounting for write off.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
 - a. **We do not track lost sales. We utilize GM RIM.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
 - a. **Our BDC calls these customers religiously to get them scheduled back in. We prepay parts sold over the counter to prevent no shows.**
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?
 - a. **We believe we have a strong system in place to keep frozen capital/obso parts in check. The Vincennes and Toyota stores need work.**

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.)?
- a. **We do not use a phase in/out strategy. We follow GM RIM guidelines.**
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?
- a. **After the academy, 8.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- a. **Increase transparency between the office and each department.**