

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)? *At this time I have no formal Parts Management training other than factory training over the different brands I have worked for over the years.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Not that I am aware of, but I am new to the store.*
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? *I have not tracked manually, but according to the fill rate report we are at an 85% fill rate.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *90% inside vs. 10% 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? *We run a daily override report to insure we are not making an overabundant amount of changes to pricing.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts counter people and the Parts Manager.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *We have recently switched over to Retail pricing for all internals. Our Parts Director for the group has made these changes and is enforcing they are followed by parts and the sales departments.*
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? *We were just recently granted our latest retail reimbursement from the manufacturer a few weeks ago.*
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? *Our*

CFO has a monthly email that goes out requesting specific reports and all invoices and repair orders be closed by the dates she specifies. This is done each and every month.

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)? *The Financial Statement is not shared with us. We do have access to the MIS report within CDK to track these numbers though. We also have a daily report shared with us by our Parts Director.*
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? *Our retail pricing is based off of our pricing matrix. Our retail numbers are monitored daily in our tracking reports provided by the directors.*
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? *Being a new manager in this store, I have not had a chance to look into our website yet.*
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 e-store currently.*
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? *Our group has recently hired a Training Coordinator that will begin working with our staff on working toward better sales skills and knowledge.*
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? *I do not believe we have process currently but will look into creating one with my General Manager.*
16. What would help you sell more accessories? *Sales Department pushing and having an online e-store.*
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? *As a new manager I have not been able to review this yet. Still working on growing that side of the business.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *No.*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Weekly bin checks are in place to*

maintain an accurate inventory and any discrepancies are sent over to the office the day of the bin checks.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? *Previous management was not tracking them but we will be moving forward. My definition of a lost sale is any part that I cannot successfully sell and install the day it is requested.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Service getting the customers back in.*
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? *Kia has a terrible return policy when it comes to special orders. Basically anything special ordered you are stuck with. I inherited a \$44K obsolescence problem.*
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.)? *We stick to a basic strategy currently. 3 in 9. As I see how this store works and how Kia works with me, we may get a bit more aggressive. Parts Eye seems to be a great tool to help keep me in line with having the right pieces in house.*
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? *6*
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? *Provide training in order to help learn the brand and be successful at fixing a broken store.*