

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, he does not.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No**
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? **Yes, our FTFR is tracked monthly. The most recent FTFR was 93.5%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **35% Inside and 65% 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? **Only the parts manager and assistant manager have access to change pricing structure.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only the parts manager can.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, pricing is discounted for internal. The owner sets the internal pricing policies. Yes, they are current.**
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? **No we are not at retail for warranty. We will be petitioning an increase this next year.**
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, the parts and service manager meet twice weekly to visit about and WIP and open parts orders.**

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, the parts manager is given the financial statement for parts and is discussed monthly. The DOC is provided and reviewed with the parts team daily.**
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? **The retail pricing is set from the OEM pricing matrix and is checked weekly.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Everything is updated and checked quarterly.**
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? **No. Any parts queries and emailed to the parts manager and either he or one of the counter guys respond to the lead.**
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? **Parts personnel are trained on the job by the parts manager as well as by using the online training provided by the OEM. Skills are tested and refreshed every 6 months.**
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 100% of our new customers are offered accessories. Anytime a vehicle is purchased our sales consultants are required to show the customer what accessories are available to them and introduce them to the parts department.**
16. What would help you sell more accessories? **More inventory.**
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, wholesale accounts are reviewed monthly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, but it is tracked on a weekly basis.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Our parts stocker reviews overages and underages every day after each shipments. If there are discrepancies, our parts department will work to handle the issue and report it to accounting immediately.**

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 are being tracked. A lost sale is defined as any customer who asks for a part and it is not in stock.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Our service writers communicating with the customer and scheduling the service.](#)
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? [The OEM pushing non-returnable parts.](#)
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.)? [Using RIM 3 turns / 12 mo.](#)
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? [8](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Hiring additional help, our parts manager is always covering other positions when they are out because there is a lack of coverage.](#)