

## 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)? *I have not had any formal parts manager training. I had an independent consultant teach me the ins and outs of inventory. I have learned most of what I know and practice from the people I have worked with over my career.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Our focus or mission statement is Team and Services. If we work as a team within our organization, we will accomplish more. If we focus on the highest level of service, we will have customers returning for business time and time again.*
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? *Not at this store. I have only been here for 10 months. I did track this at a prior dealership.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *65-70% of our business comes from RO/Internal/Warranty/Body Shop and the rest comes from Wholesale and Counter sales.*
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? *I have an alert from CDK that comes up when we go under 10% margin but have no other restraints. I teach, coach and empower the team on how to manage this. I do not want to be a micromanager and feel that when someone goes outside the guidelines, I need to have a one-on-one conversation with them.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Service Director, Parts Counter Personnel, and Parts Manager all have access to change pricing.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *We are currently at retail pricing for all internal sales. It was established by the GM prior to my arrival and everything is 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? [We are currently receiving 71.2% markup \(41.5% GP\) on all parts other than powertrain assemblies.](#)
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? [The parts department does. The team works together to verify what is open and brings this list to the Parts Manager. The PM reconciles this with the controller on the first day of the next 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)? [Yes. I have access to the DOC daily and receive page 5 of the dealer statement the 2<sup>nd</sup> business day after the first of the month. I will discuss anything unusual with the M of the dealership, if needed.](#)
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? [In my market all of the dealerships are selling at retail and we stay consistent with that. I do check maintenance price items on a quarterly basis to make sure we are competitive in the market.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Not often enough. The coupons are updated on a monthly basis and the rest is a quarterly review, which now I see the value in doing this monthly or assigning it to someone on my team.](#)
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? [Only a forms delivery which has too many fields required. The leads come into me and one other person on the team to follow up with. We are close to being connected to Fordparts.com. Now that we discussed this, I am not sure that is the best option.](#)
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? [Ford training is required. During Monday morning meetings, we discuss opportunities from the previous week that someone might have encountered. I also pay attention to conversations to step in and coach team members.](#)
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 would not say 100%. We are working to build from offering none to getting a presentation to every customer between the sale of the vehicle and when they complete their paperwork.](#)

16. What would help you sell more accessories? [We would sell more if we had a good process to present the basic accessories that most people would like \(all weather floormats, cross bars, etc.\).](#)
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, I do. They are reviewed about 10 times a year. The goal is monthly but December and January are the busiest months of the year. If the profit and GP is not right, we make adjustments.](#)
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? [We complete daily cycle counts. Our goal is to make it through the entire inventory every 60 days. We check the oil monthly with the controller to ensure we are close to the level. If something is off, I will email the controller with the detail to get it balanced.](#)
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.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [We are working daily to keep SOP parts moving. They are all prepay unless under factory warranty. We have a report that is given daily to the service advisors and we discuss this weekly as managers.](#)
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? [Currently, it would be the depth I am stocking because of the shortages and back ordered parts supply \(example: 10w30 bulk oil 400 quarts on the shelf = \\$2500\).](#)
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.)? [I am utilizing the Ford RIM program for most everything. Normally, I look at 2/3 and 3/12 for review.](#)
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? [We could use more training on the report manager function inside CDK to build custom reports to help watch specific areas.](#)