

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)?
 - **GM / CDJR Learning Center Trainings – No formal trainings aside from Manufacture Required trainings**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - **No Vision Statement currently**
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?
 - **No, not manually**
 - **1st time fill rate is currently 85%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - **93% Internal / 7% External**
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?
 - **Current Policy – Only Parts Manager and Assistant Parts Manager can change pricing structure**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - **A request must be made from anyone aside from the Parts Manager and Assistant Parts Manager – Only PM & APM can sign off on an override**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - **Yes, internal pricing is at Retail / Parts Manager and Service Director establishes and reviews all pricing / 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?
 - **Parts Department is paid above retail for all warranty work**

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 / Yes / Service Manager reviews & communicates open RO report daily. PM & SM meet every Monday to review / Final Review is held with PM & SM in the final week of every month without fail**

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)?
 - **No, the FS is not given to the Parts Manager. However, CFO and PM meet at the beginning of each month, to review, discuss and strategize using prior months DOC, each month**

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?
 - **Pricing strategy is MSRP, including all parts and body shop. PM has weekly Team check ins and reviews Sales & Gross analysis on a daily basis**

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - **No direct Parts Web-Page currently / Internal Marketing Manager reviews and updates all information at the beginning of each month, and communicates directly with PM**

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?
 - **Dealership does not have our own E-Store. However, we do use Insignia & have GM E-Store / Email alerts the in-store, all parts counter email address. PM reviews all incoming emails and reviews accordingly**

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?
 - **Quarterly OEM trainings / 4 times a year / No other trainings currently available or mandatory to Parts Personnel**

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. All New & Used customers are enrolled in Insignia t time of sale. A follow up email from the sales person happens following the sale to remind customers of there log-in information and encouragement to use Insignia for any after sale accessory purchases**
16. What would help you sell more accessories?
- **An increase of Sales Staff product knowledge**
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?
- **No, this is not a process that has yet been implemented. It has only happened in the past if any large red flags have appeared**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- **PM is currently unaware of exact sales goals for Parts Counter Staff, so currently does not have a process in place for staff accountability**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- **Month end reconciliation / Happens Every Month & is reviewed between PM and CFO every month**
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 / No / If unable to “fill in the moment” PM tracks as a lost sale**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- **Inability for Service to schedule installations due to their over-work load / Pickup or Carryout – Lack of customer follow up from parts counter sales people**
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?
- **OBSO – Overstocked of unprotected parts. Special Orders not picked up and or not returned to the manufacturer / Current Obso Value \$176,000**
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.)?
- **No current internal strategy / Using OEM 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?
- **PM states 10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

- Training. PM is currently enrolled to join Parts Week #bestweekever this coming April