

## 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)?  
**Honda seminars/Reynolds & Reynolds/Gm Financial parts training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**Treat our customers the way we would want to be treated. (Make money in a transparent way)**
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?  
**We used to track it up stopped tracking it.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**60% internal/warranty/ro/bodyshop / 40% counter retail/wholesale**
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?  
**None anyone can change pricing.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Just parts employees.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
**Internal is cost + 20% / retail is cost + 40%**
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 we are currently signed up with Dynatron to get warranty increased.**
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 manager goes over WIP weekly with the controller.**

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)?

**On a monthly basis.**

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?

**We look to keep our pricing at list. They are not monitored.**

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

**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?

**We don't currently emails and leads go to the Bdc and then get transferred over to the parts department.**

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?

**Just the Honda Modules.**

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?

**Currently we are putting them on floor models to peak customer's interest but we do not currently have a process to sell more accessories. We typically don't focus on accessories in the sales department because the most commonly bought accessories have low markups in them.**

16. What would help you sell more accessories?

**Creating more of a display in our showroom.**

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 we review them quarterly.**

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

**No, We don't track it.**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Propetual Inventory .**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

**No, Lost sales are not being tracked. A lost sale is when we do not have a part in stock for a customer and we cannot provide the part in reasonable amount of time and the customer decides to buy elsewhere or not buy at all.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customer back in the door after the fact.**

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?

**Most are dated accessories/ wholesale returns. We currently have about 92k in obso.**

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.)?

**3/90 although we are not on phase in phase out with the factory.**

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?

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25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Could use a 2<sup>nd</sup> parts driver.**