

## 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)? Penske Training. **Nada Parts Training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Roger Penske (Clients for life)
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 tracking. **We need to start a process to track**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 65% inside vs 35% Outside. **We are looking for more 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? Run counterperson override report list every morning with explanation on discount.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Counterparts only.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Yes, GM, yes, **I go over all internal RO as well**
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? Yes, Last time was 2 years ago. **We should investigate this and see if there is another bump??**
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, with controller, communication with open RO, Run WIP Report every morning.
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 financial statement, but he runs daily doc to track his gross, sales, forecast. [We track everything on our browser, but I believe we should all be able to read financial statement](#)

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 have internal fixed director for Penske that we receive monthly reports with pricing, however we raised the pricing for Smart since we are the only dealer in the valley that services these vehicles.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Every month, No coupons/ [They mirror service](#)
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. [Sales Dept](#)
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? None/ [Going to try to get them on sales phone training](#)
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? No
16. What would help you sell more accessories? More on display/ [Installed on vehicles](#)
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, Once a month. [Going to be looking into more detailed, especially on returns](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes, Counterperson productivity report, Tracks everyone gross profit.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Weekly/monthly Bin counts, Daily report run every morning, tells us if any inventory has been adjusted.
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, Sell parts and have a good attitude, [I told him we need to start a process to track all lost sales, especially phones](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Following up with clients, [Not only calling, but you can email/text](#)

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? Lack of follow up of getting clients in the store. Obsolescence total now is \$1,900. [More communication with service and 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.)? Review monthly, Run Mercedes-Benz after sale performance report weekly.
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? 7, still learning. [NADA parts class](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? More training, [Especially Sales, Follow up](#)