

## 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)? This NADA Class (I am the parts manager)
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? We do not have a posted vision statement. I will meet with our principal to make it more known
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 now track FTFR on the parts manager window using a dry erase marker. Once we hit a 95% FTFR the counterpeople will get one additional paid day off of their choice (the prize they picked)
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 82% comes from Service
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? The counterpeople need manager authorization to discount parts.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Parts and service manager only
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? We are currently at retail for internal, I established this price guide shortly after taking over the parts department.
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 not at retail (GM) but we are at 174% cost for parts reimbursement.
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? We do not utilize work in process (only closed repair orders are paid out for both parts and service)

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
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? I check gross profit margins monthly, we matrix based off cost.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Honestly, I had never been on the parts side of our website until this class. We have enrolled in parts ecommerce and will be looking to make online parts more available.
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? See above
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? I would like to send our new parts manager to NADA 😊
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 customers are offered accessories via sell sheet completed by each salesman and included in the deal jacket whether its approved or deferred.
16. What would help you sell more accessories? AVAILABILITY!
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? I had never done a wholesale review, and plan on doing one with the new parts manager.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes, 1500.00 each
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We do perpetual inventory, I was able to hire a dedicated shipping and receiving person that does inventory checks daily.
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.... 😊 I have been training my counterpeople on the importance of a lost sale, yet it still does not get tracked. (I will continue to improve this, cant go down from 0!) A lost sale is when a demand is not met by a sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Service availability
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? Obsolescence that I inherited.
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.)? We use rim, when I approve parts its based off of sales history and vehicle fit range item by item.
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?

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