

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)? **NADA Fixed Ops Training – Parts manager**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Fix it right the first time**
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? **Before NADA no, but I do monthly and weekly fill rate checks with off the shelf, on the shelf, and a total overall ALONG with removing maintenance parts from this equation 90-95%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **63% inside, 37% outside**
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-due to pre-paid maintenance mixed and the volume of our store, it would drastically slow the process down – BUT I am exploring dollar caps with CDK to see if I can put a dollar change cap on each parts personnel**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts department only**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Upper management set the pricing at 30% over cost. Unable to change**
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 at retail warranty 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? **Yes, we meet on a monthly basis to review all parts and service tickets**

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)? **Daily review of DOC, myself has full access to this and I check it everyday along with my discounts and policy accounts**
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? **Doing monthly mystery shops against same make competition – retail pricing strategy has begun this month (April 22)**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Weekly reviews against the DMS to check effectiveness of coupons along with website checks**
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? **Yes we have an online store, myself will receive an email which I immediately forward to the parts team to reach out asap to the client**
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? **Only training is through AHM on IN and nothing else – training is mandatory – online university is checked weekly to monitor new tests and 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? **Yes, every sales persons has been trained during the sales process to go over available accessories for their clients vehicle, and the client must sign off on the WE OWE regardless of purchase(s) or not**
16. What would help you sell more accessories? **More new vehicles and more supply of vehicles. Pre pandemic my sales department was having us accessorize multiple vehicles per month but due to chain supply issues, that dramatically slowed down**
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? – **My wholesale manager and myself conduct weekly A/R schedule reviews along with return account reviews to monitor strong and week clients**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes - \$1704.00 per parts personnel to break even**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? – **Weekly bin checks – daily invoice reviews to confirm that all parts have been received and properly receipted – along with basic parts personnel training (bin checks when selling or quoting parts and making sure the**

on hand quantity matches the DMS) – Variances will be communicated monthly once a GL reconciliation process has been put into place

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Lost sales are currently not being tracked but a new process is being developed and implemented in the coming month – Using the NADA book along with the Lost Sales questionnaire will be used to help train old and new parts personnel to achieve a true measure of Lost sales**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **We currently have no obstacles with getting clients back in through the door – I would say the biggest challenge would be clients moving out of state or completely changing their mind and choosing not to repair their vehicle at all**
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? **Old management NEVER did obso returns which caused major obso issues when I took over – fortunately we were given the freedom to scrap our OBSO and write it off – I am currently sitting at \$42k in OBSO now versus the 210k I had when I first attended NADA**
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.)? **After NADA, I immediately changed the phase in to 2 demands in 9 months – I set the parameters for wholesale to 0.00 and retail and service clients were upped to create more phase in parts – phase out was also set to 2 in 9 – I also do a daily RO review to spot check any parts that could be missing that we should stock – and along with monthly OBSO reviews I am able to see what is being phased in and phased out**
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? **Before NADA, it was a 3, After NADA I can confidently state that I am at a 7 – I still have work to do and questions that pop up and I speak with my directors about them and to better understand more about the Summary**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **At this point nothing, My organization has provided me all the tools and training that I need now to effectively manage my inventory and my department, We were given the motto of “Run it like you own it” and that’s what I do now.**