

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)? **Various "Honda" online training and conferences.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? **No** What is it?
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? **No** What is your current Repair Order FTFR? **91.4%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **95% Inside, and 5% 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? **The Parts Manager monitors "after the fact". All Parts personnel can adjust pricing at the time of sale.**
6. Who can change/override parts pricing? **All Parts personnel** Cashier? **No** Service Director/Manager? **No** Service Advisors? **No**
7. Are you at Retail pricing for Internal? **No, we are at Cost +30%** Who established your Internal parts pricing policies? **Ownership or executive management** Are they current? **?** **Parts Manager has no idea**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? **No, we are at Cost +75.5%** If not, when was the last time you petitioned the OE for retail reimbursement? **2 years ago.** **My Parts Manager stated that there is a degree of risk when you petition the OE for a increase via the audit (eg. The OE audit discovers invoices where our retail pricing is not consistent.)**

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. **Yes with the Controller** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **Yes** What does this look like? **The Parts Dept is not allowed to have an Invoice open for more than 14 days (Covid era exception)**
10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? **No** 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? **Matrix Pricing is set and tried to be adhered to** How often do you check to see whether your pricing goals are being achieved? **Constantly monitored**
12. How often do you audit your dealership's Parts web page? **Never** How often are coupons, hours of business, etc., reviewed and updated? **Updated monthly by corporate**
13. Do you have a Parts online eStore? **No** How do you ensure that parts order forms/queries are responded to in a timely manner? **They do not do it** Who gets the email leads/questions? **No idea who, or that there is an issue, which there obviously is**
14. What sales training is available to Parts personnel? **OE offerings** If training is available, is it mandatory? **Yes** How often are sales skills assessed, tested, and refreshed? **Constantly monitored but no formal process**
15. Do you have a process to offer accessories to 100% of your New and Used customers? **No** If so, what does it look like? **The Parts Dept spiffs Sales staff for selling accessories plus new vehicles are pre-loaded with accessories** If not, why not?
16. What would help you sell more accessories? **Mandatory Sales staff intro of accessories to all New car sales.**
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? **Yes** How often are they reviewed? **Usually reviewed when we receive a return. Our Wholesale return percentage is 7%??**

18. Do you know how much each of your Parts salespeople must sell each day just to break-even? **No**
19. What procedures do you have in place to ensure inventory accuracy and integrity?
Perpetual Bin Counts How are variances communicated to the accounting office?
Monthly reconciliation to the front office
20. Are lost sales being tracked in your DMS? **Yes** Do you have a common definition that all counter people understand? **Yes** What is your definition? **If the Parts Dept receives a call for a part that we do not have and everyone else does (other local dealers), then that is a Lost Sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers back to the dealership to have the part installed.**
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence?
The facility is outgrown What is the current dollar value of your obsolescence?
\$4,000
23. What is your phase in/phase out strategy? **3/9 Phase in, ??? Phase Out** How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **No factory recommendations**
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? **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Allow the Parts Manager to pay Parts staff competitive wages to keep staff. Our store is a Parts training ground for other stores, unfortunately.**