

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)?
None, everything he has learn has been hands-on.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No, there is no Vision Statement currently. I asked my Parts Director to have a Vision Statement by the time we move to the new location.
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, always using the DMS – Current FTFR is 50%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
60% Internal / 40% Counter and 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, will be meeting with our Corporate Operations Managers to put some policies and controls. We do have reports but no policies to prevent them from happening.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts personnel only.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes, the Owner and our Corporate Parts Director are directly involved with pricing policies. Yes, they are current.
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, we are higher than Retail for our Warranty.

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, this is done monthly and the end of every month.
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, Yes DOC and monthly analysis reports are provided to the Parts Manager to review.
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 a daily RO and gross tracker, is checked daily.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Never, we currently do not have a dealership parts web page, coupons and specials are posted monthly based on the manufacture specials, our hours of business are set for all our stores and do not change and are manage by our Corporate Office.
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 eStore, currently we are working with our IT department to see where the order form inquiry on our website is landing or been sent. Have an open ticket with our IT Department to find the disconnect.
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?
Mandatory training is done by the manufacture. It is also a condition of their employment. This is done monthly, they are tested and required to pass with a score no less than 90%.
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 not offering accessories to 100% of our customers because of how our dealership is set up - the showroom is half a mile away from service and parts department. All the sales consultants currently used tablets and should have eStore to present options to all customers 100% of the time.
16. What would help you sell more accessories?
Dealership needs to sell more cars, with more sales more parts will be sold. Accessibility to the parts department and an actual accessory department with good and current displays.

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, is done weekly and as soon an account is over a 10% return is address with the customer to avoid future results.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
No, I have provided my parts with the Break Even Analysis Excel to give an idea what is needed on his daily goal to break even and make profit.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Any parts in/out/returns paperwork has to have a paper trail and must be reviewed by the Parts Director. Communication in regards to any variances are done via email with our accounting office.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
Yes and yes - lost sales are being tracked in our DMS, our common definition is: If we do not have the part in stock is a lost sale (LS)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
The Service Shop, not having enough techs to do the work at a timely manner.
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?
Previous Parts Director was reckless with his order, not taking care of the dirty cores and not following the guidelines of our return policies - not returning the parts within the allowable time.
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.)?
Part Director enters and approves the orders every day and when he sees a pattern/trend on a part(s) he phases them based on the demand within the pass 4 to 6 months. Also looks at other dealerships around my area to see if they have the part and how many they have in hand. Also used the ARO to have a guarantee return to minimize the obsolescence.
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?

Have Accounting do more of the bookkeeping. Have a Part Department adequate facility for the daily operations. Need additional training for him and his staff. Need more counter parts personnel and feels he need more departmental support from our Corporate level.