

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)? **All brand specific training for the Parts Manager**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No. But we will!!**
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 have not manually tracked it. Current FTFR is Chrysler: 63.29% Ford: 76.61%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Internal: 31.79%, Warranty: 21.65%, Customer Pay: 46.56%**
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? **There are not any. All parts personnel can change Pricing.**
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? **We are at retail on internal RO's. Parts and Service determined the pricing structures and 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? **We are not a retail reimbursement state and we are dual branded, Ford and Chrysler. The OE's have not been petitioned in over three years that we know of. It is on our list to get completed.**
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? **WIP reports are ran EVERY Monday. Service Manager reports them to the Controller, Fixed Ops Mgr. and owner at a weekly meeting**

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.**
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 aim for 50% gross margin. Not always achieved but is set as our roadmap.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We do not have parts on the web page. However, the website is viewed and discussed at weekly manager meetings.**
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? **We do not currently have an eStore, but all inquiries go to the Fixed Ops Mgr.**
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? **All parts people are required to take the available OEM parts courses as part of their onboarding process and as new ones come available, they are required to take those as well. Also, phone calls are constantly monitored for training purposes.**
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? **Sales personnel are "supposed" to bring every newly sold customer to both the service and parts department. It is pretty much a 50/50 scenario. The Parts Department does provide a quarterly list of selected accessories with installed pricing to every salesperson for immediate reference. It does attract 1-2 customers per week, but we sell more than 100 vehicles per month, so we do not have a good average.**
16. What would help you sell more accessories? **Salespeople following through....**
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? **Until recently, it was done on a customer-by-customer basis. We are now looking at annually.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **From our class, yes. Based on numbers from class each person must produce \$1560.00 per day.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Daily bin counts are now being done. Upon completion, each sheet is brought to me to review and fix as needed with parts**

person that did the counting. If there are any adjustments, it is taken to the accounting office by the parts manager.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **All lost sales are being tracked at looked at weekly. The Lost Sale Decision Tree is being used by every parts person to determine whether the sale was truly lost.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customers not coming back.**
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? **Cancelled SPO. Current Value: \$36,076**
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.)? **Majority of stocking items come in on RIM and ARO. Strategy is to follow set manufacturers order process.**
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? **Seven**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Sales pushing more accessories. Used vehicles using more parts.**