

## 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) **Manufacturer training, NADA, inhouse training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **"to have the right part the first time, everytime"**
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? **Yes as part of the homework, 48%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 70%, outside 30%**
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? **Currently very few, there are reports available to track adjustments**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts personel**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, corporate and 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 in a retail state, yes on retail reimbursement and it was reviewed in 2021**
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 and all are reviewed at the end of each 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)? F/S is a no but Doc'S are available to all management

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 use our matrix on all except tires and accessories. GP % is looked at on a regular basis
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 do a good job with coupons, but the page is reviewed at least quarterly
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, queries are directed to the stores P/M
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? We have just implemented a parts advisor training program that begins in June and will be conducted twice a month.
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? No, have no process to make sure it happens
16. What would help you sell more accessories? A process in sales
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? We monitor returns and notify customers if they are over 10%, reviewed by store managers
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? No, but each store manager has at least seen the calculation in NADA school
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Quarterly cycle counts, they are not sent to accounting at this time
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 they are tracked, we have a decision sheet
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Lack of communication notifying customer parts are in
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? Bad inventory, less than 10% but working to get it below 5

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.)? **3 in 12 with the phase out set the same**
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? **10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **More frequent training**