

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)? **THIRD PARTY PARTS MANAGER CONSULTANT**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **NO WE DO NOT.**
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? **THIS ONE I HAVE NEVER HEARD OF**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70% INTERNAL 30% EXTERNAL**
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 IS NO REAL STRUCTURE IN PLACE. WE HAVE SPECIFIC PRICE CODES THAT ARE TO BE USED BUT THEY CAN BE OVERRIDDEN.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **ALL PRICE OVERRIDES ARE SUPPOSED TO GO THROUGH OR BE APPROVED BY ME**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **FOR INTERNAL YES. SOME EXCEPTIONS OF COURSE**
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 AT RETAIL FOR WARRANTY. CHRYSLER ONLY PAYS COST +40%**
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 IS RAN A FEW TIMES THROUGHOUT THE COURSE OF THE MONTH. BUT THE FINAL WIP IS RAN AT MONTH END YES.**
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)? **I RECEIVE A COPY OF THE DOC DAILY. I HAVE ACCESS TO THE PARTS ACCOUNTS IN THE G/L AND CAN GIVE INPUT OR FEEDBACK AT ANY TIME.**

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? **SINCE AUGUST WE HAVE RAISED ALL OF OUR PERCENTAGES. I CHECK MONTHLY TO SEE WHERE WE ARE AT.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **I LOOKED AT IT WHEN I TOOK OVER AND WE MADE THE CHANGES THEN. HAVE NEVER LOOKED AT IT AGAIN**
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? **IT IS NOT AN ESTORE BUT YOU CAN REQUEST A QUOTE THROUGH THE WEBSITE. THE PARTS DEPARTMENT EMAIL GETS THE PARTS LEADS.**
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? **THERE ARE COURSES THROUGH DEALERCONNECT THAT ALL EMPLOYEES ARE MANDATED TO FINISH EVERY YEAR. THERE IS ALSO A TRAINER THROUGH MAGNETTI MARELLI WHO COMES ONCE A MONTH FOR NEW INFO AND REFRESHERS.**
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? **THE PROCESS IS BROKEN. WE ARE TRYING TO GET FULL STAFFED SO WE CAN HONE IN ON MAKING THE PROCESS THAT MUCH EASIER.**
16. What would help you sell more accessories? **MORE INTERNAL SUPPORT ON CUSTOMER 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? **THIS ONE IS THE THORN IN MY SIDE. WE CONSTANTLY TWEAK AND REVIEW AS WE HAVE A GOAL GP % TO HIT. THIS IS HARD WITH RENFREW CAUSE THERE WERE SO MANY YEARS OF OVERSERVICING AND NOT MAKING MONEY THAT THE CHANGES ARE HARD TO MAKE AT SOME POINTS.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **HAVE NEVER MADE THE CALCULATIONS**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **WE ARE IN THE PROCESS OF PERPETUAL INVENTORY TO KEEP ACCURATE. THERE IS AN EXCEL SPREADSHEET I FILL OUT EVERY**

MONTH SHOWING ANY VARIANCES AND ACCOUNTING MAKES THE ADJUSTMENT FROM THERE.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **THEY ARE TRACKED IN DMS. NOT THAT ALL COUNTER PEOPLE UNDERSTAND.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **CUSTOMERS SHOWING UP FOR APPOINTMENTS. INTERNAL BDC WILL HELP ALLEVIATE THIS ISSUE.**
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? **NOT UTILIZING RETURN RESERVE PROPERLY. NOT ORDERING ON PROPER PROMOS TO MAKE THE MONEY. CURRENTLY \$155000**
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.)? **ARO TAKES CARE OF ALL OF THAT. I CHECK DAILY AND APPROVE OR DECLINE UPDATES TO STOCK LEVELS AND OR PARTS THAT THE SYSTEM WANTS TO BRING IN.**
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? **8. THERE HAS BEEN A LOT OF INFORMATION OVERLOAD SINCE AUGUST. BUT IT IS ALL STARTING TO MAKE MORE SENSE.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **NOTHING THE ORGANIZATION CAN DO. JUST NEED TO GET THE PROPER AND PROFICIENT STAFF IN PLACE TO TAKE SOME OF THE DAILY TASKS OFF MY HANDS.**