

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)? **NADA Parts class in 1992, Ford Parts Upgrade 1998, Ford Parts Manager Master Certification**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, Parts Department: Our Mission is to get the right part when our customer expects it, at a fair price.**
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 84.19 OSF**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 77.1 Outside 22.9**
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? **3 counter people (over 20 year experience) have the authority and are paid straight commission on gross, Our new 2 year employee does not.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes as of 6/1/22**
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? **Alabama just became one, we will petition this year even though we are in year 2 of a 3 year "index rate option" with Ford**
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? **Timely manner is tough with Technician shortages and parts backorder issues, we look at open RO's on Tuesdays and Thursdays**
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)? **Yes**

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? [Matrix pricing established and updated 6/1/22 to achieve goal of 32% in department by EOY 2022](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [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, other than manufacturer accessory sites](#)
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? [Ford Certifications](#)
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? [We have a process.](#)
16. What would help you sell more accessories? [Follow the process](#)
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 Yearly](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Yes](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Ongoing bin checks and purchase order processes. Accounting receives a signed form with any adjustments needed](#)
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, If we have a demand and the DMS does not track the demand then it is a lost sale entry](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Service communication and backlog](#)
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? [Special orders and wholesale returns](#)
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.)? [2 in 12 with a total of 3 phases the part in so we can examine if we want to stock, then Ford RIM takes control](#)

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? 9.5
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Enforce the special order process throughout the store.