

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)? **22 years as parts manager. Daimler Truck Parts Man. Class, PACCAR parts 1 week course**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Unofficially Sell More - Get More**
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? **Uses DMS for FTFR.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 30% / Outside 70%**
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? **System is set up with 7 price level. Sales Reps are given guidelines and structure with monthly margin targets. However, they have the flexibility to negotiate as needed. Review performance monthly.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Manager is the only person with parts access to change parts pricing outside of the parts department. Night service manager doubles as parts counter so he has access also.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Dealer principle sets parameters.**
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? **3 months ago when our labor rate was changed**
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 reviewed on a monthly basis. Use the famous turbo close system! With current market conditions, WIP runs about 35 - 40% higher than normal.**

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)? **Given to the manager monthly. Reviewed with CFO and dealer principle quarterly unless there is a major swing in a month.**
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? **Gives the sales group a fair amount of autonomy based on market conditions. Pay structure is incentive based which helps to keep reps motivated to meet goals.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Currently do not have an online retail store. Updated specials are posted monthly.**
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? **Currently do not have an online retail store. Customers with accounts have access to PACCAR Parts Online. Leads go direct to the assigned sales person.**
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? **Over 50 hours of online training is available to all parts employees. It is currently not mandatory or being managed.**
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 do not. Looking to add account application to all new and used truck deal folders.**
16. What would help you sell more accessories? **Bigger showroom.**
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. Monthly. Also reviewed mid term and year end. Year over year comparisons**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes 12,000**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Annual physical parts inventory.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No. Missed sale on a stock inventory part**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Standing rule is if it not picked up in 7 days, returns to inventory for stock**
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? **Bids or annual contracts that end up not being fulfilled.**
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.)? **Use MDI recommendations. Participate in all OE stocking programs**
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. Work hard to keep parameters updated in the system on a monthly basis**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Feels we run pretty lean at times but feels staffed correctly for current market conditions.**