

## 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 training as a guest for a week. College majoring in finance.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**We are (Making it easy) for our customers. We say it a lot during the day.**
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 do not track FTFR General Motors RIM works well and this is closely monitored by The parts Manager**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**36% internal 64% counter and wholesale.**
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?  
**PBS has permissions that are shut off for proper control.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Only parts sales staff no one in service can do this.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
**We are in a Dealer 20 group and are regularly analyzed for compliance to policy.**
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?  
**GM Canada is cost plus 40% for parts mark up. Applications for markup are not allowed.**
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?  
**Controlled by the manager and part of month end process.**
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)?  
**We review the DOC daily, sales and GP information shows on the dOC.**
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?

Pricing strategies are checked monthly and amended as required.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Not often, this could be done monthly for better development.

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 have an online store.

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?

GM sales training and we are up to date with offered courses.

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, we do not ask every customer. No process in place for this.

16. What would help you sell more accessories?

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, this is done monthly.

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?

Bins are checked daily and inventory is done annually. We have no problem in this area.

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, if a customer wants the part and leaves without it or, orders it and does not return for it, is considered a lost sale.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Getting them prepaid, if this is done there is no issues.

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?

Collision and our service shop 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.)?

We are compliant with RIM ordering strategy.

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?

A solid 8 out of 10

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Sell accessories on every sale, prepay all parts on service work orders.