

## 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)? **GM Training, several parts management seminars**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **no**
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?NO**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75% INSIDE**
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? **Counter people have full access to changing prices as we have to match Insurance and Service Estimates that are not always based on GM Retail price.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts personal only**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We charge internal at retail, established by Ashley Wolfe, Yes 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? **Warranty is cost +40% ..... GM does not pay retail for warranty repairs, no need to petition.**
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? **No**
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 have 100% access to 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? **Retail over the counter parts is sold at GM List price, Retail Service Repair orders are charged GM List + 10%**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Seldom**
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? Email leads come to parts manager, front counter and order desk. I follow up with all**
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 LMS training. In order for the staff to be eligible for the Monthly Bonus their GM Training has to be up to date.**
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? **Sales People use the Accessible Accessories program, they get a 5% spiff for all Accessory Sales sold at "RETAIL" price. The Sales Personal create an Accessory Quote using the program, the sheet is then handed to the parts manager to arrange for the install of the chosen Accessories and track the sales to pay the Sales Staff at the end of the month.**
16. What would help you sell more accessories? **Parts Availability, more training to our sales consultants, more push and desire.**
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? **Reviewed yearly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No .... I know how much the department needs to sell in a Month to turn profit. Their bonus pay plan is based on that number.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Variances are shown as part of the Annual Inventory. We also to random bin counts throughout the year.**
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, our DMS tracks lost sales. If we don't have the part and we lose the sale because of that it 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 the Advisors and Appointment Coordinator to contact the Customers**

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? **Service Department and Body Shop ordering parts before the Estimate is approved by the customer or the Insurance Company. \$13120.00 (2%)**
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.)? **Based on volume - 6 levels of volume with different criteria for all. We rely heavily on the RIM program.**
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? **4**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Establish a robust customer follow up procedure the reduce obsolesce.**