

## 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)? *Nait Technical School red seal- parts tech, Nait Blue seal- Business management all with 20+ years of experience.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Not officially, our focus is wholesale due to a variety of reasons, (no fleet, small shop, only Cadillac sales) and the staff are focused on our wholesale goal.*
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? *Not until today. Interesting # at 92% but not something to be focused on. Being in high compliance with RIM helps this. Low percentage means wrong parts on the shelf and not trusting RIM( poor management)*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *80% wholesale, and 20% for everything else.*
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? *Parts people can sell below cost and give discounts. He monitors daily. Not all can minus parts out. Trust plays a major role with pricing and adjustments. Biggest offender for asking for disc is sales department.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts advisors and parts manager*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Cost + 30% for internal supplies in his opinion should be retail. Retail for used cars, shop sheet, accessories. The parts Manager, Owner, and GM.*
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? *Cost +40%, he's never asked, nor has it happened as far as he knows.*
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 it's the parts manager as he claims, and its monitored monthly.**

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)? **The DOC is given daily, discussed monthly with the GM if necessary.**
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? **He watches the numbers daily as well as the DOC. All retail customers should be at retail or retail plus.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Its very Rare, very few changes happen.**
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 only have online request forms that go to parts. Brent the Parts manager has researched online store, but he found too expensive and not worth the risk.**
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? **LMS courses through GM which are mandatory yearly.**
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? **Nothing other than accessible accessories. He's never sees the customers due to parts being in the back of the store and customers don't have access unless parts is called up, but doesn't happen often. Claims that sales process is poor and results in poor timelines for both parts and service.**
16. What would help you sell more accessories? He claims its to limited as we only sell Cadillac accessories. **Aftermarket accessories equal low margins and high obsolescence which makes him not interested.**
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**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Avg breakeven is about \$140000 gross. 6 parts people which equals 140000(gross) / 6/20= \$1166 gross/day/person.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **He has 2 inventory control staff as well**

as himself watching inventory. Employees also know to watch for discrepancies, and any variance only communicated at inventory time.

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 at 92% fill rate says were under control.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Having customer returns. Claims poor communication with Sales department with ordering items. But no examples given**
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? **Obso is at .6% or about \$4000 most of which is eligible for return to GM but can't yet because its recall parts. Rims/Tires/clothing are always the biggest contributors to obso by far**
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.)? **99% RIM compliant, he trusts RIM more than his instincts**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **More information into the day to day of the dealership. Work with sales and service to know their future plans and to plan for future ideas.**