

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)?
 - None
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - In the department we have had two. "Take Pride" and currently "Be the Solution". This is informal and half of the department was audibly able to answer when asked.
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 since I left the back counter. I listed part number, description and reason for variance so I could report back for inventory issues.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 30% inside/ 70% outside
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?
 - The DMS locks out overrides. Both directions. They cannot alter a price without the management assisting them.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - Parts Manager, Regional Parts Manager, VP of Parts, Regional General Manager
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - Above retail for internal. Set up by VP of Parts

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?
 - Yes
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?
 - We have a daily “stand up meeting” at 10am.
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)?
 - Parts Managers have access to online composite and get a monthly financial statement and printed NADA/ATD composite
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?
 - Managers have ability to set matrix based on customer type and then based on volume. Different levels are set by VP of Parts. Numbers are reviewed on a daily document.
12. How often do you audit your dealership’s Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - Annually. We have an external web site management company and an internal auditing department. They will work together to make sure everyone is on the same page.
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?
 - Technically we have Online Parts Counter which is an OEM tool. Orders go directly to the parts department printer in a pick ticket. “Parts pullers” get the orders processed from there.
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?
 - Each quarter the OE offers Peterbilt workbooks.
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?
 - Yes. Different stores have displays as well as physical catalogs
16. What would help you sell more accessories?
 - Having more trucks. Having better knowledge of the non-OE parts

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?
- Only customers we consider are selling to body shops or small repair facilities. We review their pricing quarterly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- Never looked at the breakeven. We take our monthly sales goal and divide that by each counter person to get the daily goal per person.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- Inventory clerk and warehouse staff are only people who have access to get in the warehouse. Cycle counts as often as possible and physical inventory annually are conducted. Variance is reported to controller by inventory clerk via email with explanation if available.
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 we lose a sale because we don't have the part in stock and someone else has it.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- Customers prepay for SOP. If we have the parts on the shelf after 6 months off attempting to contact customer, we will include in our scrap allotment.
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?
- Mistakes would be the biggest cause of obsolescence. Prepaid SOP has prevented that being a culprit. Current value is \$49,330.
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.)?
- Managed by MDI (3 hits in 12 months).
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?
- 6
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- More training. More staff