

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)? **Currently there is no formalized training, we promote higher performers. We have started utilizing a mentorship program for recently hired parts managers, they are teamed up with experienced parts managers from other locations.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, "We are dedicated to meeting our customer's truck needs by building quality relationships with them and going the extra mile. Our employees are the best they can be and display a positive attitude. We will lead by example, work hard, and treat everyone with honesty, dignity, and respect."
- Founder Eldon Palmer**
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, this capability does not exist within DSI. Fred Dufour is in conversations with DSI about some type of solution that is easily trackable. Currently this type of tracking must be done manually.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **73% comes from our Counter Retail and Wholesale customers**
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? **We have it blocked so you must be specifically set up (Manager or equivalent) to be able to change any pricing. Exception reports are run daily and questioned. Weekly exception reports are sent out to all management levels showing the lost GP due to exceptions.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager, Assistant Parts Manager, and a couple of seasoned counter personnel.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Our internal pricing levels were set by upper management. We need to review the current settings and consider increasing to the NADA recommendations.**

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, we are at retail for warranty.**

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?

Parts works with Office Managers for month end processes with statements and schedules to be cleared up. WIP is tracked on a daily summary for Parts, Service and Body Shop. Accounting balances the WIP documents at month end for all departments.

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11. 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)? **Yes, and discussed monthly with plans to improve when trailing on key indicators. Also, yes a daily reports are sent out showing status relating to sales, GP, and business plan.**

12. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved? **We do not price our showroom; we have a corporate team that handles all pricing structures. The corporate team implemented a pricing matrix to help align customer Price Codes and daily recommends customer pricing levels.**

13. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We review the parts web page on a monthly basis which include monthly pricing updates. Website modifications are handled thru our corporate marketing department.**

14. 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? **You can inquire about parts thorough our website or use our Parts online counter. The online Parts counter will give availability across our network including customer specific pricing.**

15. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **All training is done online (PACCAR) and is mandatory for the Palmer Parts teams. We do not have any other specific sales skills or customer service training at this point.**

16. 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, we have in house displays as well as websites for them to use for considering additional accessories.**

17. What would help you sell more accessories? **Improved training for our parts and truck sales staff to upsell accessories. We are working to coordinate sales offerings with our new and used Truck Sales Directors and our Parts Sales Directors.**

18. 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? **We have recently started reviewing specific business expenses to the profitability of customers. As we review customers our service patterns and pricing levels are being discussed during monthly financial reviews.**

19. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, we do not have a breakeven number. We do provide a monthly sales goal per territory based on their 12 months percentage of business and apply it to our monthly business plan.**

20. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We track inventory levels weekly through corporate directed cycle counts. These cycle counts are tracked by our corporate inventory team and distributed to management. Our current cycle count frequency needs to be reviewed and adjusted for increased for additional count coverage.**

21. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No, lost sales are not tracked within the DMS. We are in discussions regarding our lost sales definition and how the lost sales would work within our DMS.**

22. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Not being able to return them back to the supplier if something happens and the orders are not completed.**

23. 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? **Specific inventory related to PTO equipment. Obsolescence for the Cincinnati location is \$34,169.**

24. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **Phase in strategy is currently set at 4 hits within a 12 month period, this is 4 individual hits and not monthly hits. Our corporate inventory team works with PACCAR and the MDI program to maintain factory recommendations.**

25. 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? **Very low, we do not use the DMS monthly summary. Instead of the monthly summary we use an accounting document to track our metrics across the Palmer network.**

26. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Take task off their plates that are not parts related, like HR tasks, vehicle task and other things that are not related to parts. Try to shift some of the accounting Parts workload to the Corporate Department.**