

## 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 seminar + Volkswagen online and in person training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**Working on one and will finalize soon**
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 are a new dealership started April 2022 yet, we have done the exercise , our FTFR is 87.5% out of 16 ROs**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**84% vs 16%**
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 run exception reports and voided invoice reports**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Parts manager & counter parts individual**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
**Yes , Pricing policy is managed centrally by our group, 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?  
**We are not at retail; we are a new store and this was done at the start, a new application will be submitted to OEM after completing 12 month .**
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?  
**Yes, and Yes. Controller reviews it with the parts manager**
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)?  
**Doc is sent weekly and FS to be discussed on a weekly basis starting next week**

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?  
**We target 40% GP and we review the achievements monthly and take action accordingly**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
**Website gets reviewed daily for any updates and discrepancies**
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?  
**No we don't have. Parts manager and counter person receive e-leads via lead source system we have. System shows stats and all leads taken and responded to and ratios etc..**
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?  
 The group is working on scheduling training for parts personnel.  
**They have done phone training upon starting the dealership 3 months ago**
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?  
**We do include accessories at desking and try to keep them in the deal**
16. What would help you sell more accessories?  
**We accessories the new cars in stock**
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?  
**We are still establishing the wholesale business**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
**We do have a good idea but will be more accurate as we operate more month**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
**Spot checks and bin checks. We reconcile accounts inventory vs physical inventory**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?  
**Not in DMS**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?  
**We are still new so SOP is not an issue now. Parts will go to service advisors with the list of SOP and ask for a written feedback on the list with appts when the customer is coming to have them installed**
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?  
**Still no issue, we just started the business**
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.)?  
**Will go with the training NADA guidelines, being set up with the help of our central parts director**

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?

Ongoing learning, 6/10

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

We got him to NADA parts training as a start and will have ongoing training. The group is keen on training