

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)? *My training is NADA , Business Administration Accounting and most of all the school of Rusty Snyder.*
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)? *We sell roughly 28% of our sales are outside the parts department and 72% are sold inside the dealership.*
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? *I run 2542 counter person override will show me low gross invoices. Any discount higher than 10% requires my approval unless it is and ap part. The accounting tracks service discounts.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts department and service manager but Jamie never does.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *We are priced at retail for internal. I set the pricing and it is 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? *N/A*
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? *Accounting does it monthly. The service report is 3613.*

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)? **Yes**
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 and internal we want to make 44% or higher, Whole sale 18% or higher, Accessories 30% and tires 16 % or higher. I monitor it through the DOC and 2211 report.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly and we do group promotions quarterly.**
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 have an online parts store. All the orders are sent to the parts department email and my email. Everyone in parts get the leads.**
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? **We have phone training. We have a small script we use when answering the phone.**
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! Work in progress.**
16. What would help you sell more accessories? **Accessory sales are a team effort between sales , parts and service for installation.**
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? **I review whole sale clients on a monthly basis. I have a report called Wholesale client sales which includes returns.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? I look at it from a department basis. **I know my expenses are roughly \$58,000 to \$68000 a month. The daily goal is to gross at least \$3500 a day.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do bin checks on a weekly basis. The adjustments are put our adjustment account 675 and accounting does random bin audits. We also reconcile the inventory monthly.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **We track lost sales on a daily basis. I go through price quotes and record lost sales for anything we do not have in stock. I also lost sale the**

Nissan number if we pick up and aftermarket part because we do not have a Nissan part. my definition of a lost sale is anything we do not have in stock that we do not order or pick up in town and a customer tries to buy it from us .

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? We collect prepayment on special orders but usually it is getting clients back in for warranty repairs.
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? The main causes are returns and part life cycle. We do not have a ton in obsolescence our over 9 is under 1% and
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.)? We are not on a factory recommended stocking guidelines yet. The phase in have demand in 2 months out of the last 4 or have been in inventory for 6 months with and average demand of .50 pieces per month. The phase out is have no demand in 9 months or have been in inventory 9 months with an average demand of 1 piece in 9 months. If not phase in non stock parts will phase out after 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? I have good grasp on the parts report 2213 (9)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Train the accounting department on how important it is to reconcile the parts statement along with parts inventory.