

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)? **Previous ASE Certified**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **WIT(Whatever it takes) Get the job done and get the cars moving. Source if you have to.**
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 use DMS or OEM, but can calculate. 79% currently up 10% from year ago**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **95/5**
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? **Being smaller, run report daily to check overrides and verify justification**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts only**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Below matrix above msrp. Owner and parts director strategized overall to average 40gp.**
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? **Over retail. Increase from below retail to 89.55% warranty mark up. May/22**
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? **Integrated with dealer ops to update notes, workflow. Follow up on back orders daily.**

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)? **No financial statement. Can be reviewed in DOC via Dealer ops. Roughly 10 minute delay**
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 run a matrix pricing to average a 43gp customer pay. Check in real time for discrepancies and verify legitimate(extended warranty, policy price, etc)**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Audit is done yearly as we have basic info of contact us, hours, etc. We do not use about us with employees. Coupons are not currently used on site.**
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 do not**
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? **FCA training(mandatory), dealertrack training(mandatory), ASE if needed, NADA guidelines taught**
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? **Sales upsells vehicle upfit. All accessories sold at MSRP. When in Shop r retail, customer is presented options by parts.**
16. What would help you sell more accessories? **Display, upfit center, advertise**
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? **Rural, not much wholesale. Less than 2% of business. GP is tried to be around 15-20%**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, but with small department we require teamwork and selling as a team**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Cycle counts of entire department done monthly, billed not rec, rec not billed, pending credits, all checked with mandatory backups
 - **Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Yes, A Lost Sale occurs when you have a customer demand for a part, and you do not have the part in stock.**

- The customer cannot wait for the part to be ordered or you can't procure the part from a local source in a quick timely manner.
- The customer decides to go elsewhere to buy the part. You lost the sale. You could have sold the part if you had it in stock.

20. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Biggest obstacle is BDC or advisor calling and following up with customer. Parts if RO is closed sends daily email with customer name, old ro, and what parts have arrived to all advisors, service manager and bdc
21. 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? FCA does not have a great program in return reserve, so we require deposits on SOP parts, and we track shop returns. 6% 14,960.
22. 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 use ARO, but if ARO doesn't pick up demand of 3 times in 6 months for phase in. Phase out, no sales or demand 180 days
23. 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? 9
24. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Personnel, communication