

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 Academy Seminar homework for a previous dealership owner.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

Dealership has a vision statement. Employees have heard it, but it is not reminded.

“Our vision is to be the Most Trusted Dealership in the Rio Grande Valley, delivering SMART vehicles for a SMART community.”

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?

Yes, 20 years ago at another store.

Current: 90% (not including quick lane)

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

80% inside, 20% 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?

Parts counter can change pricing but can't sell below cost. DMS access controls in place.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

All of the above.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

**No – cost + 25% (Changed to retail post conversation)
General Manager established pricing policies years ago.**

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?

No, thought it wasn't possible to.

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, they do meet monthly, and parts manager is always reviewing it. However, invoices are not closed timely (setting as a goal for next meeting).

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)?

**Financial statement is not provided. It will be provided starting at June close out.
Operating report is available.**

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?

**Sell at retail – discount when necessary
Do not check to see if goals are being achieved.**

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Have never looked at web page. We do not offer coupons.

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?

**Ford Parts Online
Did not know about inquiry on the website and does not know who gets 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?

Ford STARS training only. Not mandatory and not tested.

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 department is supposed to offer to every customer, but they do not.

16. What would help you sell more accessories?

Selling accessories on our website and display in the sales showroom.

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?

Yes – wholesale customer report on PBS

Reviewed monthly

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

No.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Physical controls – gated, person in warehouse at all times

Perpetual inventory

Yearly physical inventory

Communicated to accounting office through conversations during monthly reconciliation

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 all the time. Difficult on PBS.

Definition: If there was a demand and you didn't sell it or order it = lost sale (does not have to be on the same day)

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Getting customers back in and other parts on back order holding up the job.

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?

Current dollar value: \$65,000

Causes: Body Shop Returns/RIM Program/Customer Returns

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.)?

In: 3/9

Out: 1/6

We use both RIM and stock order report to make sure items aren't skipped. Override when necessary.

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?

10 = expert

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

"If I need something, all I have to do is ask. Don't need anything right now"