

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)? **None, only what has been offered from Mazda**
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 - the OEM says 97%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75/25**
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? **Only the parts manager can override cost in the DMS**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only the parts manager or assistant manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes - the new owner and parts manager and 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? **Yes**
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?
No, yes, We don't carry much WIP over each month
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)? **He gets the report but it is never discussed. Weekly he will look at the GL in the DMS to track sales and gross profit.**

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? **Mazda list at 66% over cost but it is never reviewed once the statement comes out**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not often and no coupons are given out. The store makes sure all departments hours of operation are posted**
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 – Previously the parts manager would get the leads but has not seen one in over a year**
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? **Mazda certification that is mandatory to be done each quarter for MBEP. The skills are only being tested when Mazda attaches a quiz to certification paths**
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. Our store uses A-Z with customers and prior to base payment presentation we offer to personalize your vehicle.**
16. What would help you sell more accessories? **Having cars to accessorize in the 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? **Not on a regular basis but it has been done before**
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? **Periodic bin checks. Accounting are notified if errors are found with all documentation**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No and No. Inability to provide a part no matter the cost = Lost sale**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service advisor calling to follow up with SOP customers**
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? **Boutique items and inherited items - \$19,187**

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 don't have one. Mazda Parts Eye says 2 sales per 60 days.**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Offer a part time employee that can make runs and fill in periodically**