

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)? **No formal parts training, had some formal management training, attending Dale Carnegie and Leadership Academy**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Getting/having the right parts the first time so technicians can get vehicles done in a timely manner**
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? **Never tracked it manually, DMS has at 95%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **RO 43%/Internal 13%/Warranty 41%/Counter Retail 2%/ Wholesale 1%**
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? **There currently is no safeguards in place, counter people are authorized up to 10% any more needs to be referred to manager**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No cost plus 35%, Corporate, yes**
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, we are in the process of an increase currently**
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, they currently do it individually.**

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, GM/Parts Manger/Service Manager meet weekly to discuss statement and sales**
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? **Normal markup is 67%, but we utilize a parts matrix established by corporate**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We really have not audited webpage until GM came back from NADA.**
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 have an online eStore, parts leads were going directly to sales now parts gets notified by email**
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 only training for Parts Counter people is through manufacturer and is required**
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 are not consistently offering accessories to all of our sales, currently working on a process**
16. What would help you sell more accessories? **Sales People offering it to all customers to personalize their vehicle**
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 have very few wholesale customers, they are mainly handled at the Parts Warehouse**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$4,500 a day in sales, \$1,600 a day in gross**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Only being through annual audits, now starting 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? **They have not been tracked properly, we all now have the same definition, If there is a demand and we do not have or can not get that is a lost sale**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service Writers getting the customer in for next appt**
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? **Special Order Parts that never came back, parts not sent back through RIM, currently 45k**
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 utilize RIM and are able to send parts back after 12 months if not sold**
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? **Currently a 5**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Provide formal training, reviewing sales, systems and manufacturer programs**