

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)? **GM Parts College**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **He said yes but after conversation, he just verbalized what his objective is, not a written vision that is distributed**
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)? **30% Internal / 60% CP & Warranty / 10% Outside & Wholesale**
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? **ROV - Report Overrides Report - Every 2 or 3 days review**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Counter & Parts Managers Only**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes / Established by Fixed Ops Dir & Parts Dir / All 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 we are at retail for both Toyota and Cadillac**
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 through a monthly reconciliation report. Open Parts invoices & ROs are reviewed 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)? **Yes. Monthly review with the Fixed Ops Dir**
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? **Shop = Matrix / Walk In = Mfg List Price / Prices reviewed 2X/week**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Dealership only information reviewed for accuracy. Parts sales are managed through a Simple Parts website/**
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? **Yes. All orders and queries are handled by the parts manager first thing each morning.**
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? **OEM Certifications only**
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, we have two separate service advisors that handle accessories for both walk in customers and internal. Sales Dept has a 100% TO policy.**
16. What would help you sell more accessories? **More ground stock so that we can install more pre-loads for the showroom. This would help us to be able to sell off of those displayed accessories.**
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, monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$1386 My Calculation from class showed \$3546. We have added one more parts associate, but even adding an additional person, the amount is still \$2659.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Monthly reconciliation / Quarterly Bin Count / Only 2 people can make adjustments**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Yes. Any request not sold because it was not in stock is recorded as a lost sale. Ordered but not installed goes as a lost sale.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Orders with multiple parts in which one is back ordered. This causes the other to sit in the SOP Bin.**
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? **With Cadillac you must keep the part for 18 months before return. With Toyota any part less than \$8.00 is not able to be returned. Current dollar amount is \$12,500 or 3.74%**
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.)? **3-12 - IN / 6 mos 0 Sales - Out**
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**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Personnel / Staffing**