

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)?
Has been with us for 16 years and recently was promoted to parts manager. Has no formal training but it would be very beneficial to attend a parts manager seminar.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
There is no parts department only vision statement. We have an overall group mission statement which is on the employee handbook. We have printed it out and posted it in our parts department.
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?
Not manually until now. DMS show a FTFR of 94%.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Inside sales account for 72% vs 28% outside sales.
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 people with access to PM to be able to change pricing is the parts manager and parts director.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Service advisors have access to offer a discount and it would discount from part and labor proportionally to avoid only parts being discounted. However, service manager reviews these discounts and keeps an eye out on this.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes, pricing for internal is Retail. This was established by the dealer himself and these are reviewed on an annual basis.
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?
Last time we petitioned a parts warranty increase was about 2-3 year ago. Since I came back from Parts class, I reviewed this and am currently working on getting a parts warranty increase.

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 are all current. We hold a bi-weekly "asset" meeting in which we review all schedules including the WIP schedule.
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 does not get a financial statement. He is given a DOC on a daily basis to review.
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?
Price escalator and stick to the pricing. Prevent parts from being discounted. This is checked monthly.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Web page is inspected by myself almost daily however the parts page has not been on my radar but will be now. Coupons are renewed daily. All other information is looked at almost every day.
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 we do. This needs improvement and is in process as I have noticed several steps/displays are broken at the moment.
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?
No sales training at the moment. Something that will be reviewed to be incorporated.
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?
No process at the moment other than looking accessories up online. We will be working on this.
16. What would help you sell more accessories?
We are looking into dressing up a car to showcase or create an area with physical accessories for display.
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, and they are reviewed monthly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
Parts manager did not know. I shared this information from the excel templates we did in class. Eye opener.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
We do monthly reconciliation alongside our accounting office. New parts manager is performing random perpetual bin audits and we also do a annual physical inventory audit.

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 are being tracked but not everyone has the same definition of a lost sale. I have shared the quiz we did during class with the correct answers with them.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
We are clean on SPO.
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?
Doesn't seem to be an issue since we do monthly returns to the factory.
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. We work with the factory ASR.
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?
New parts manager is not familiar with this report. I shared what the report looks like and what it information it provides. Recommended to get familiar with this report.
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
Provide more training.