

## 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)? **Dealer Connect (Alfa), Modis (Maserati), Advanced Auto Parts Academy, and Reynolds/Reynolds.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We take care of our customers from retail to wholesale with care and respect. This is an ongoing communication we do with each team member in service, sales, body shop, and parts departments.**
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? **There's a clipboard that is hanging next to the computer that we manually use to count our ongoing FTFR rate.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70% inside sales / 30% 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? **All prices are locked through our DMS**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The GM, fixed ops director, parts manager, and comptroller have access**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at retail pricing for internal / GM established internal parts pricing policies / pricing is 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? **Our warranty pricing is over retail / we are currently due for a price increase discussion...soon to come**
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? **Fixed operations work closely with the controller on all WIP. GM looks through open RO's and checks to see the timing. We are currently overdue by 5 tickets needing to be closed.**

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)? **We discuss the financial statements with fixed ops on a quarterly basis and the DOC is reviewed every Monday morning.**
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? **We price the following and discussed quarterly along with going over the financial statements**
- **Internal pricing is at retail**
  - **Retail pricing is at the OEM matrix**
  - **Warranty pricing is at the OEM matrix**
  - **Wholesale pricing is at 20% off the OEM matrix**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We have not been going over our parts web page enough but will start every first Monday of the month to discuss monthly specials.**
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 currently have a parts eStore and will look to start immediately**
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? **Dealer Connect (Alfa Romeo portal), Modis (Maserati portal), and Text2Drive (texting and payment portal)**
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 have an accessory case in both the waiting lounge in service and the showroom customer lounge.**
16. What would help you sell more accessories? **Installing accessories on in-stock new cars**
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 not done so in the past but will be included in our monthly review 1<sup>st</sup> Monday of the month**
18. Do you know how much each of your Parts salespeople must sell each day just to break even? **\$800 retail per employee / per day (\$200 gross per employee / per day)**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Numbered stands with lettered shelves**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Lost sales are being tracked through our DMS and our common definition of lost sales is for every lost sale it equals 2x the parts cost!**
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? **Reaching out to the 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? **Our body shop is currently slowing us down in parts, but fortunately, we are still in great shape within 12-24 mos. @ \$2,000**
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.)? **When a part hits our inventory list 3 times within 90 days...this is par with our OEM recommendation**
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, I would say I'm at a 6**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **I would like to sign my parts Manager up to NADA training reasonably soon.**