

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. Our parts manager of 5 years left the week I returned from parts class. Our new parts manager was promoted from counter person and now has a few months under his belt.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - No, we do not. We need to make one.
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, we have not had that level of detail and accountability to date.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 40% & 60% (due to our large online business, oempartsquick.com)
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?
 - We only have prompt that says, "are you sure you want to change the price", then, it timestamps the user and time it was altered.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - Service and parts managers only.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - No, we are currently 10% over on parts. The dealer principal established this policy. We very recently got rid of our internal rate for service, and I am hoping to change our internal parts pricing to matrix.

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 a Retail Reimbursement for Warranty state and are charging retail for those parts.
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, the parts and service manager have a meeting right after month end to discuss WIP and which ROs will be on the prior and current month. They also discuss any current or potential issues with our WIP.
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)?
 - No, only the sales and gross profit DOC is visible to parts and service managers.
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 are matrix pricing. We review every quarter.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - I have never audited the parts web page, that is a good area of opportunity.
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, but we don't have one for our local clients. Oempartsquick.com is the website and our parts manager receives direct calls and emails.
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?
 - Not a whole lot, parts has kind of been the forgotten department. We need to create more structure and resources for our people there.
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 do not, we've had more focus on setting the first service appt. and selling the car. However, if customers ask, we do a good job of providing options.
16. What would help you sell more accessories?
 - If we had an accessory wall and we have a printout of all popular OEM and aftermarket upfits that could go along with customers new vehicle. Also, could be presented in service as an upsell opportunity.

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 don't have enough wholesale business at the moment. Not very many consistent clients.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 - Yes, now that I have the excel calculation from class.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
 - We utilize a bin system that is tracked by our DMS, every part is updated on arrival and when it is sold. We also have a 5-bin system for special order parts in which we track them by aging, so none are lost in the shuffle.
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, we are not tracking. It is something we have discussed, though.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
 - Service scheduling, we currently don't have enough staff to support the influx of business.
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?
 - Parts that Chrysler decides that we need to stock based on a one-off sale, currently we are around \$12,000 in obsolescence.
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 like to use a 3-in-12 so that we have a larger pool of suggestions for what we like to stock. Chrysler uses ARO, we like to balance those parts with what is suggested for our store and then make independent decisions outside of ARO to try to find additional opportunity on our in-stock parts.
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?
 - More training and guidance to achieve success in the department. Not just filling orders.