

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)? **He just attended parts week with me in August and felt the training was a great start. He hopes to be able to attend more formal training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, but this is an action item moving forward.**
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, but this is an action item. (The list is long)**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Currently we are 89% inside/11% outside.**
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? **No formal process currently. One will be added.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The only people able to override or change parts pricing are the Parts Manager or the counter parts team (with approval from Parts manager).**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes (except for policy), the policy was started by owner and parts manager. Everything 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? **Yes we are in a warranty state and at retail.**
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? **All WIP documents are collected from dept. managers the last day of the month and controller reviews all WIP. If there are any discrepancies, questions are raised and answered. There is definitely a need for a formal process to ensure that all RO's are closed in a timely manner.**

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, discussed monthly.**
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 have a pricing matrix and goals are checked daily, weekly, and monthly.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **As discovered in Parts class, we do not do a good job of monitoring our web page but have started and will get everything current and start managing on a weekly basis.**
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 are in the beginning stage of launching an E-store. We will ensure checks and balances by adding to parts team's daily responsibilities.**
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? **Currently, the only training available is from GM Center of Learning, but this is added to the action list.**
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, this has been a point of concern for the parts manager and is currently addressing with management. The process needs to start in the sales department.**
16. What would help you sell more accessories? **A complete buy-in and change in culture from the sales department.**
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, these are reviewed monthly. Should a wholesale account be found to have repeated returns, they receive a 3-warning process, and they are out.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$4658 per day, per employee**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Conduct perpetual inventory counts randomly throughout the year. Variances are only submitted after the annual physical inventory.**

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, but this is a new mandatory process. Until parts class, it was not tracked consistently.**
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? **Our SOP process used to work but is now broken. We are currently revising this process.**
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? **There is not one cause for obsolescence, but multiple reasons. Our current value is \$46,110.**
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 rely on GM RIM only.**
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? **9 = good handle on Dealertrack.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **LISTEN...allow the parts manager to make changes necessary.**