

## 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)? *NADA Academy Seminar & KIA University Parts Manager courses*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *We do not have a vision statement as far as I am aware, but I post goals for each of the counter salespeople as well as myself monthly*
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? *84%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *24% Outside vs 76% Inside*
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? *Pricing on repair orders follows the pricing rules set based on the sales type (Customer Pay vs Warranty, etc) while over the counter sales use preset calculation codes (Counter vs Wholesale)*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Only parts staff have access to override parts pricing*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Internal follows the retail pricing set by our former GM Bob, and approved by the current GM*
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? *We are currently at the base 40% markup, with an increase pending on 10/17/22*
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? *The parts and service departments each review and close out WIP prior to month end independently with daily checks and reviews*

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)? [I do not have the financial statement, but I do review the DOC sheet daily with reports generated on a monthly basis.](#)
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? [Our retail pricing follows MSRP](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [We no longer have a Parts web page](#)
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 no longer have an online eStore, but it was originally managed through a central website for processing & shipping](#)
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? [We have yearly courses through KIA University that everyone is required to pass](#)
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 a website for pricing & ordering accessories along with the New/Used purchase, as well as offerings on display during the new customer walk-around.](#)
16. What would help you sell more accessories? [Further use of the accessory website during the sales process or a baseline offering on some of the vehicles \(spare tire, mud guards, etc\)](#)
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 review problem customers every month or so, with reviews for the other customers yearly](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Roughly \\$7,700 per day to break even](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We do periodic bin checks through the month, as well as a monthly review of the inventory numbers between accounting & parts.](#)
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 follow the NADA flowchart and are tracked in the DMS](#)

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Getting customers back in the shop after a part has arrived due to shop load & customer availability](#)
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? [The current obsolescence is \\$46,708.72 which largely comes from non-returnable special ordered parts \(chemicals, hazmat components, etc\)](#)
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 follow the PartEye recommendation for stocking, which I believe is 2 sales within 6 months.](#)
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? [I would 9 on the DMS monthly summary](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Providing a clear goal and making sure we have the tools to complete it](#)