

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)?
Parts manager has Honda & GM Online training. Has had nothing in person. (Which will be changing soon).
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? No, we do not have a Vision Statement for the Parts department. We do have a Mission statement for the Auto Group.
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? Parts manager has never tracked the FTFR manually. We will start tracking manually in hopes to get a better understanding of it. Current FTFR is 94.89%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 90% of our business come from inside. 10% comes from outside. I feel like we have a great opportunity to increase outside sale.
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 have nothing in place in the DMS at this time. They do have daily conversations about pricing. Based off the in-class phone call I should probably put something in place for an override.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? The Parts Manager and Counter person are the only ones that can change the price.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Yes, we are at Retail on Internal. The GM put the pricing in place.
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 at retail on warrant, and we applied for our last rate increase on both parts & warranty last September.

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 manager does not look at his WIP currently. My service manager reviews week with the advisors. But does look at it daily, so going forward we will have a Friday WIP meeting put in place.**
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 do not share the financial statement; we have an internal doc that we share monthly. The parts manager does look at the DOC every few weeks. Which I feel is not enough, I think all departments should look at the Doc every couple of days to monitor expense and spending.**
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 just moved to retail door rate on all parts across the board in August. And based on the jump in gross, it looks like it will continue to help us grow in the parts department.**
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 auditing parts web page. We look at coupons monthly. And we do review my google business page every qtr. Which we are in the process of improving with a 3rd party vendor so we can sale parts online.**
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 have a parts store online. (YET)... And we do not get forms or inquiries on a timely rate if we get them at all. We are going live next week with DriveCentric which will bring all parts leads and service leads direct to each department.**
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? **Online training on that GM provides. We need to do a better job of training for sure.**
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 offer accessories a 100% of the time, we need to do a better job. We have started on displays and catalogs which will be printed soon and placed on every desk in the store and service waiting lounge.**
16. What would help you sell more accessories? **Better communications with the staff about what is available to sell.**

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? **Will have a small value of wholesale business so we really do not track it. Is it a place to grow in for sure.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, but they will be going forward.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do daily bin counts. If we have a variance with the inventory we turn in a report to accounting and GM to find out what, when and how.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **We track daily, yes, if we do not have the part in stock, they consider it a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication. We started 60 days ago making them pay for them upfront. If the part is not a recall or warranty part on a RO. After 30 days we send the part back with our pace money.**
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? **SOP are our biggest issue. \$680.79 current OBSO**
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.)? **Rim takes care of phase in/phase out strategy. We do look at it daily for any issues.**
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? **6. We will start going over monthly with GM.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Offer more training, just what we have gone over since you have been in this class has opened eyes. I think I will start in house training a long with send the managers to NADA classes.**