

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 in the past few years, have attended 20 groups in the past.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Just our Core Values, Integrity, Teamwork, Servants Attitude, Accountability, Continuous Improvement, fun*
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? *Not in the past, just through this Exercise. We are showing about 85%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *Inside- 77%, Outside 21%, stock order discounts/SRA 2%*
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? *Counter people do not have access to setup screen to change pricing*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts personnel/ Service manager*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Yes, we are, corporate officer established policy*
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 in the process of getting another warranty rate increase*
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, we also have all counter personnel go through open invoices weekly*

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, we also have weekly Department Head meeting and go over all schedules](#)
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 40% gross margin strategy that we do performance review on monthly](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [We Review specials/coupons and our web page strategy monthly](#)
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 have one parts person specifically dedicated to our online store he answers leads and processes orders in real time during business hours](#)
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 just hired a corporate trainer who will be responsible for creating mandatory training classes with a emphasis on our parts personnel](#)
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 preinstall accessories on a minimum of 15% of our new car inventory \(pre pandemic\) and 100% of our new car inventory currently and sales professional goes over an additional accessory list with customer at time of sale. We do not preinstall on our used cars but do present/offer accessories on pre-owned but not a refined process on pre-owned](#)
16. What would help you sell more accessories? [Tablet allowing customer to dress vehicle up at the completion of sale. Allowing customer to see images of their vehicle with chosen accessories added.](#)
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? [No, we've concentrated on growing our wholesale business but not measuring performance of accounts](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [No, I do not.](#)

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Perpetual Inventory, we all so do reconciliation every month with business office](#)
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, if a customer asks for it and we do not have it, it's a lost sale](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Customers not being called back; we do send out post cards](#)
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? [Wholesale returns and sop bin](#)
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.)? [3 hits over 9 months. We do not balance this strategy with factory recommendations](#)
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? [8](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Parts counter phone training and parts sales training](#)