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

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

   Yes= Every customer, every time

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?

   Never had, need to track manually- current RO fill rate 89% same day

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

   65% inside
   35% 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?

   Anything more than 10% discounts requires approval by Management

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

   Assistant Parts Manager or Parts Manager

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

   No- cost +25% set by Dealer

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 for extended warranty- cost +40% got GM

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?

   Look like a work in progress- Always room for growth. Parts billed out; tickets stay open (unrealized sales). Needs a better system of tracking opening and closing tickets.

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- but we base our strategy off weekly-monthly sales analysis

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?

    Monitor across daily

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

    As needed. Don't have access to dealership webpage

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?

    No. Not tracking website inquiries and unsure of where email leads are being sent.

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?

    All GM consultant- Global training modules

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?

    Sales Department Spiff for Sales person

16. What would help you sell more accessories?
    Bigger spiffs to Sales

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 on a continual basis

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

    Must gross profit of 800.00/1,000 Day.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

    Annual inventory random shelf audits price updates variances given to office manager

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

    If it requested but not ordered it is a lost sale-period

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

    Lack of BDC and busy flow of Service Department

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 misdiagnosis in service department 38,000 over 15 months old

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 parts are 15 months no sale

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 still learning after 16 years

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
An effective BDC Department and an overly efficient service department because they are my biggest customer