

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? **Vision statement is: Show you Care. Be a Pro. Make it Easy.**
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. By the DMS FTFR is 85%. By the homework FTFR is 69.23%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **51.35% vs 48.65%**
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? **Currently they can change prices via price levels. They do come to me and ask every time if it is okay to change the price level.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager/ Parts Counter staff**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes we are. Parts manager and General manager.**
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.**
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? **Parts and service manager run monthly reconciliations that are given to the controller and the GM each month.**

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 and yes.**
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 operate on a matrix price structure that caps out at a cost of \$350.00. After that prices are MSRP. This is checked daily.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not as often as we should. I would say currently maybe once every month or two. Coupons are usually done on a monthly 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? **Yes we do. We have an email set up that will go to everyone in the parts department. During normal business hours these requests are responded to within 30 minutes.**
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? **There is some training offered through the manufacturer. It is mandatory to achieve certification status. Typically once a class is completed you do not have to take it again. As far as assessing, testing and refreshing selling skills it is not done.**
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? **The sales department is the first line of defense on accessories. We do have displays on the showroom floor. At this dealership, the parts department is .3 miles down the road from the showroom which does make it inconvenient for a sales person to bring a guest to the parts department to discuss accessories.**
16. What would help you sell more accessories? **Better displays on the showroom/more updated. Tablet(s) that would allow a guest to see an accessory on their vehicle.**
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 we do. Typically reviewed on a monthly basis.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Perpetual inventory, physical inventory once a year, random spot checks of specific part numbers and monthly reconciliations. Typically by email with any supporting documentation.**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **They were not. They are now. Yes, now we do have a definition. If we have the opportunity to sell a part and we do not have it in stock and we do not order it, it is a lost sale. If we do order the part but do not get prepayment and the customer never picks up the part, it is a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting appointments set in a timely manner for the guest to return for installation.**
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 are the biggest cause. Currently dollar value is \$6,503 which is 1.46% of inventory value.**
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.)? **PI is currently 3 in 9 on most sources. Collision source is at 3 in 3 and electrical source is at 3 in 6. PO for all sources is currently set at 3 in 12. VW/Audi just launched AutoPart, which is a RIM program. It is currently still rolling out and is not fully functional yet. We are on this program.**
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**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **The more training the better.**