

## 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)? **NCM. However, only completed half the course and stopped due to COVID.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **To completely satisfy each guest one part at a 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? **Yes, 93%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **85% 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? **NONE. However, they must get authorization from the Parts Manager.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager. Counter can but only with authorization from Parts Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **YES. General Manager. YES.**
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. 85%**
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 sends over his docs at the end of the month to the controller. They HAVE not verified all invoices are closed out in a timely manner. However, they are working on doing that now.**

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)? **The financial statement is not given to the parts manager. However, he looks at the daily gross numbers to review.**
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? **Mark up 65% We check it ever quarter.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **GSM. 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. Leads go straight to his email and he answers immediately. Parts Manager.**
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? **Only manufacturer training required. None in house.**
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? **New, yes. Used, not yet**
16. What would help you sell more accessories? **New car inventory. Also, a book or sheets for accessories at the salesman desk.**
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 do not do much wholesale here. Monthly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **NO.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Receiving checks every morning. Bin checks 3-4 times a year.**
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. No, but we will. An opportunity to sell the part that same day without having to order the part for a future sale to that customer.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication between the service and parts 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? **Service department ordering non-returnable that are not needed for repair. \$8,445**
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 constantly look at the recommended stocking number. RIM allows us to have the part in stock for 18 months to return.**
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? **6.5 (parts manager)**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Better communication, training and a better understanding of the DMS.**