

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)? **1 20group training and FCA online training for 16 years.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No vision statement.**
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 my parts manager has tracked our FTFR manually. Our current FTFR is 76%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **71% Inside vs 29% 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? **Costs could be changed if people wanted to be malicious, but running a daily override report from CDK show's everything.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Nobody in service can change pricing. Only the parts manager and service director (they are the same person).**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No we are not currently at retail pricing for internal. That decision was made by upper management. Yes these are current policies.**
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 a retail reimbursement for warranty state. We are at 87.06% of retail.**
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 the parts manager works with the accounting office to follow up on WIP. They review all documents 2 times a month during staff meetings. Yes they verify everything is closed out in a timely manner. They run an Open RO report and review them twice a 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)? **The financial statement is given to the parts manager monthly and reviewed during the staff meeting. In addition, a DOC is run 2 times a week.**
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 use a pricing matrix as our pricing strategy. We review our goals 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 update our webpage on a monthly basis and also use that time to review hours and coupons. Our BDC manager handles this process.**
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 have a MOPAR eStore. Our BDC department receives the leads for parts and passes them along to the parts manager, who then distributes to the advisors.**
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? **Our parts personnel have access to our Stellantis Performance Institute on dealer connect which offers sales trainings. The trainings are mandatory. The skills are assessed quarterly.**
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? **Our process is to have our sales department introduce their New or Used customers to our service and parts departments as part of the delivery process. This is not done as often as it should be. The sales department needs to be more responsible ensuring this happens on every delivery.**
16. What would help you sell more accessories? **Sales department cooperation will help us sell more accessories. Allowing us the opportunity for an introduction will give us a chance to sell something too.**
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? **This is a fine line. Sometimes we accept returns to justify we are worthy of keeping the w/s account. We review these transactions monthly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$1500 daily per advisor is our breakeven point.**

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. Each advisor counts one bin daily, and we rotate the bins at random to ensure integrity. Our variances are communicated to our accounting department using a plus/minus report and reviewed every 2 months.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Our lost sales are being tracked in our DMS. We do have a common definition that all counter people understand. A customer wants a part right now and we don't have it. That is our definition of a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **The biggest obstacle to getting our SOP's off the shelf is getting the customers to return. If they prepay for the part, then it is not a problem. If we order through warranty and the customer never comes back, we are on the hook.**
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? **The biggest cause of frozen capital and/or obsolescence is w/s returns and warranty SOPs. Our current value is about \$56k.**
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.)? **2 sales for phase in and 7 months no sale for phase out.**
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? **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Provide us with High Density Bins.**