

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)? Mike Nicholes Inventory Management Class
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Broadway Mission 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? No, he uses the DMS – FTFR is currently 92.7
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 50/50
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? Password protected
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Parts advisor, parts management
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? Yes except for budget vehicles, established by dealer principal
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 at warranty
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 go through this weekly in management meetings
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

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? MSRP, we check monthly
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Our website sucks and is currently being focused on
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
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 currently have no training in place, we are looking into it
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 associates handle this, needs improvement
16. What would help you sell more accessories? More accessibility, better processes
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? Semi annually
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? Bin counts, annual physical and monthly reconciliations.
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
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Service follow up
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? RETURNS \$130,000
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 are in RIM but our average PIPO 2/9
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? 9.5

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Support in pushing the department forward, decision making.