

## 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)? **Hands on training, Senior Manager's advice, Florida Parts and Service Seminar, and Parts Manager training from the Dealer Connect certification training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **I have not heard of the above 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? **I do not track manually. Current OSF is sitting at 76.3 % and Repair Order FTFT is at 81.9%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside is at 59.5 % Outside is at 40.5% and this is based off of October sales of \$422,641.00**
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? **Pricing structure on the parts side is only adjustable by parts personnel, the Service Director, and must be approved by a Manager.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The Service Director and Parts personnel only.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at Retail pricing for OEMK parts and Aftermarket parts usually have a 67% markup.**
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? **I am not familiar with Retail Reimbursement.**
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? **WIP is followed up daily by the service and parts personnel. Time is always crucial for Work in**

Process. Every resource is used to speed up the process. It is updated daily by our BDC/Warranty admin.

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)? **I receive the daily DOC of Parts, Service, and Sales for the (stores) numbers. Also, the monthly statement is discussed at the close of the month.**
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? **Reports for sales and gross are checked on a daily basis. Over the counter customers will only pay retail which is generally a 67% markup. Matrix is only done through pricing in the shop.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Our sites page is visited at least once a week. The marketing director monitors daily and updates.**
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 currently do not have an E-store. The parts leads are sent to BDC and the 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? **Training is mandatory and has to be done quarterly on the Dealer Connect training portal.**
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? **We currently do not have a process for accessories. We do have accessory display and knowledgeable personnel.**
16. What would help you sell more accessories? **Help from the sales team, and maybe Marketing material.**
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 review the expenses monthly and adjust accordingly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No, I do not.**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **The procedure is done weekly and accounting receives all weekly (DOCS) that are coded by the Parts 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? **Lost sales have not been logged religiously. We are currently working on fixing this matter.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Contacting the customers is usually the biggest task. The customers lack of urgency to come in for the repairs also plays a big role.**
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 process to obtain parts when they are on backorder and the customer takes a different route with the parts still on order plays a big role. Returned parts in general whether it is Wholesale returns or internal are factors as well.**
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 utilize every program we can to make sure our loyalty on ARO is upheld properly. Parts with minimal sales in a 6month period are usually not added.**
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? **I think I would find myself in the 7 to 8 tiers.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Monthly updates on expenses, the ability to use my peers for advice or guidance, as well as further training.**