

## 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)?  
**Our parts department manager does not have any formal management training. All his training has occurred on the job.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**Our dealership has a vision statement, but our parts department does not have one specific to their department. The dealership vision statement is "To be on the leading edge of customer care by continually exceeding our customers' expectations thus modeling good stewardship of our organization."**
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?  
**He has never tracked the FTFR manually and our current FTFR is 94.87%,**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**In our conversation he mentioned that he believed about 70% of our business came from the inside while 30% came from 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?  
**It does not seem like we have many controls in our DMS from my conversation with my parts manager other than some verbal controls of what to do and what not to do. Our parts manger does close out all the invoices and receipts for each day.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Everyone in the parts department has access to change/override parts pricing. No one in service does, not even our service managers.**
7. Are you at Retail pricing for Internal? Who established your internal parts pricing policies? Are they current?

**We are at retail pricing on most of our internal parts. We do not charge retail for things such as brakes, and accessories. Our fixed operations manager is the one who established these pricing policies and they are somewhat current.**

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 not at retail for warranty. We are at 40% over cost. The parts manager was not sure when the last time was that we petitioned for the OE 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?  
**Yes. Each week we have a managers meeting where we discuss open RO's and accounts receivables that still need to be collected. This holds everyone accountable as to why certain RO's are still open with parts and labor on them.**
  
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 our parts manager, but each month we have an in depth meeting with each of our managers to discuss the previous month's numbers through a PowerPoint presentation and excel spreadsheets for each location. We do not hide any numbers from anyone and show them our net income for each month and year to date as well.**
  
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 charge retail for everyone except for employees and those businesses who we have a working relationship with. This is checked daily by our parts manager and assistant parts manager.**
  
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
**We do not really have a parts web page on our website. The coupons and items are not updated that frequently unfortunately.**
  
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 do not currently have one, but are in the process soon of implementing an ecommerce store through GM. We do not know a lot about it thus far other than people can buy from GM and choose whether or not to have it delivered to our store or directly to their house. Either option from what it sounds like will benefit our dealership. Our parts leads, as shown in class, go into our CRM and it generates an automatic response from our service department 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?  
**There is not a lot of training available for our parts personnel. One thing that we are now requiring is some training on OEC. This is parts trader and some training should help our parts personnel try to upsell from online orders for body shops. We definitely need a more consistent training regime for our parts employees.**
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 do not have a process with our parts department to offer 100% of our new and used customers. This is handled by the sales person on each individual deal. I would guess that about 30-40% of our customers are offered certain accessories.**
16. What would help you sell more accessories?  
**Our parts manager believes that this new ecommerce program through GM will help us sell more accessories.**
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 our wholesale customers are reviewed at least 2 times a month if not more. We have only had to cut one customer because of their location and the amount of parts that they were purchasing. We also have had to tell a body shop that we will not discount their parts until they start ordering more with us.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
**Yes, our parts manager is aware of this and within the department they keep track of each day's sales on a whiteboard for each employee. If they did not achieve their objective they write down the amount in red and if they did achieve it, it gets written in black.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
**Our parts department performs regular checks of the parts shelves. Any variances are communicated once we come across any inaccuracies and then are either written off or put towards parts policy depending on the situation.**
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 are unfortunately not being tracked and we do not have a common definition that everyone understands.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?  
**Our service department is extremely busy as most are so this is the one obstacle that is getting in the way.**
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?  
**We try to be a volume dealer so we sometimes keep parts in stock that RIM does not recommend. We do this thinking that we might need two of a certain part trying to outsmart the system. This has helped us in certain circumstances and hurt us in others. The total value of our obsolescence is \$37,878 for the month of October.**
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.)?  
**Our phase in/phase out strategy is set for us within RIM. We do not have too much control over certain things because of this. We are required to keep a part in stock for 15 months. Once it gets to this point, GM will ask for the part back according to my parts manager.**
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?  
**Our parts manager rated his level of understanding as a 10.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?  
**One thing that our parts manager mentioned was more training for their employees. I feel like this would definitely help.**