

## 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)?  
Ed completed an in-person Parts course Nissan offered 25 years ago. He also completes all Nissan online modules.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
No vision statements. Ed said Jeff; our job is to make gross.
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 Fill rate is 90%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
80% Is Shop R/O 9-way internal.
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?  
We currently do not have one.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
Our Service Manager and Writers currently can discount. With coupons, we advertise or direct mail to customers.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
Yes, and at the list for internal parts also. Our Executive manager makes this decision.
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, the warranty is 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
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)?  
Ed runs a doc every morning. The financial statement is not given to him.
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?  
Very good. He checks other dealerships for there online discounts. Making sales Competitive.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
Once every month; Ed also works with Service Manager on this.
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 did have one; after class I learned that Nissan offers a new program. We are currently in the process of signing up for it.
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?  
None!!!!!!!!!!!!!!
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?  
Yes.  
While customers are waiting for finance, they are handed a tablet with accessories that can be added to the vehicle. They can then choose to have this put in the financing or pay for it with the cashier.
16. What would help you sell more accessories?  
We could use an actual display area.
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, at least once per month. Now that we have parted with companies that didn't pay on a time it makes sense.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
No, but the good news is he does now!!!!!!!
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
Bin checks every day. My parts manager said he could write a book on this.
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, lost sales are done when he does not have a part in stock.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?  
He does not have one. He emails and calls customer every day until the part comes in and very rarely ever has an issue.
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?  
Approx \$4500. Special orders from service. Mechanics ordering things for service customers. He has separate shelves for part customer orders and service customer orders.
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.)?  
A&R
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. I'm shocked by this answer. I thought he would give himself 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?  
Ed needs more space. He wants needs the ability to stock transmissions and bigger parts. Also, a parts boutique in customer waiting area. All coming soon with new store.