

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)? **No formal training, only industry trade shows and OEM online curriculum.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No dealership or fixed opps vision statements.**
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? **We have not tracked or FTFR to date, currently it is __74.51__.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
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? **Price overrides are capped at certain % based on login classification. Counter can go to a certain level and managers can go deeper and so forth.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only parts sales staff and parts/general managers. No service staff is allowed by DMS sign on parameters.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, internal price is determined annually by the dealer principle and the parts and service leadership.**
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 review warranty rates frequently and we a close to the max rate but are always pushing for more from the OE.**
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? **We**

are setup to communicate internally at each branch on the monthly closure of repair orders and open parts orders. The managers review dashboards with order statistics and determine where to focus effort ideally.

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)? **DOCs are ran daily at the discretion of the managers and their previous month P&L is sent as soon as the month closes. They do not review a monthly FS.**
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? **Our company has established a parts leadership team that keeps the strategy consistent between all 7 branches and is reviewed monthly during an in person meeting with parts team members.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We employ a marketing manager to maintain the website but I'm not aware of any audits. The OEM maintains the coupons and we redeem them online.**
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? **Paccar has OPC (online parts counter) and order notifications are emailed to managers to notify them of an end user order.**
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 mandate online training tracks for parts staff as well as the OEM. We also send parts staff to industry OEM hosted trade shows annually to keep them up to date with vendors.**
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, most are sold by the sales staff and included in the financing.**
16. What would help you sell more accessories? **More allocation of trucks from the factory and skilled labor to install complex electrical, hydraulic, and fabricated 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? **We currently do not breakout wholesale sales but it is being looked at for in the future.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Breakeven is not calculated but we have always used 50,000 per employee per month and that is now under review.**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We cycle counts all year and do a physical bi-annually.**
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 being tracked and a plan is in place to act on the data we record. We do need to tighten up our definition and make sure we have buy in on the program.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **The biggest issue is if the SOP is not pre-paid for.**
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? **68,044 – sop parts and sales credit returns.**
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 phase in based on our OE dealer managed inventory – we let them control most supplier coeds and we review any changes that are needed.**
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? **Level 9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Have an operations trainer/auditor to coach and audit operational performance at each branch parts department. 1 person that can mentor the managers and hold them accountable for their performance. This should be a dedicated role.**