

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)?
None, I used to have training seminars when I worked as a manager at napa but that is more or less it.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
There is no vision 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?
We do not track the FTFR
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
About a 30/70 split.
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 have guidelines, but no concrete barriers to prevent price changes. There is also an alert report on adjustments.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Anyone can.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
No, internal is usually at cost or cost +10. We have a parts director who sets our policies on this.
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?
It's a mixed bag on what we get back for parts pricing for warranty, depends on the OEM.
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?
There is currently no follow up process with the parts department.
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)?
Monthly.

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 try to be at 28% to meet paccar standards, we are always adjusting pricing to hit this mark.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Almost Never
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?
Yes, the business has picked up quite a bit recently. The orders come straight in to our printers for picking so it takes the guess work completely out of 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?
Training is optional but a plan is being developed to implicate that in the employee's time.
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?
Not at the moment.
16. What would help you sell more accessories?
Standard upsell procedures and ques.
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 them constantly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
I have a pretty good guess but it has been a while since I ran the numbers.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
I conduct manual audits of cycle counts that the shipping department conducts daily.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
We aren't consistent with it; my definition is any sale that was not made for any reason.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
Follow up on the employee side more so than the customer, sometimes we have parts sit there for months because a counter guy hasn't "gotten to it" yet.
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?
Lack of communication between branches. Supersessions are a big issue for us too. I don't know the dollar figure.
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 currently do not have one.

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?

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25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

More selective reporting on things that actually pertain to my job. We have 100 reports sent out daily but I only use a dozen of them.