

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)? **NADA**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Where it's so nice to be nice Value your customers**
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? **35%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80% inside & 20% 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? **10% threshold so there is always a profit and parts are not sold under cost**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only parts employees can change pricing**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **MSRP for used cars, the GM established the rule**
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 above retail on warranty**
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, parts and service managers reconcile very month and work with the controller**
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)? **Statement is provided every 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? **Retail parts are marked up at a cost plus basis depending on market value**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We are currently in the process of updating our website**
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 an online eStore but there is one in the works**
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? **Each counter person is certified every year by Chrysler to perform their duties**
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? **Do not have that process in play yet but interested in it**
16. What would help you sell more accessories? **Marketing, displays, part availability**
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, every month and any time returns are made**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **All parts employees are held accountable for making sure all parts are checked in, posted and put away in their correct bins. Perpetuals are done monthly**
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, a lost sale is a demand but no sale**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customer back to install the part**
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? **Parts ordered not prepaid and customer not returning. \$25,000**

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.)? **3 demands in 6 months, the factory tries to push parts into inventory after 1 demand. I keep a close eye on all these parts**
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? **8 ½ There are a few items I still need to drill down**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **I think my organization and general manager provide all needed guidance and tools required to work effectively**