

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)? **NCM Parts Management, GM Parts Management**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes. Be the Chevrolet dealer of choice by creating an exceptional customer experience across every aspect of our business.**
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. Current FTFR is 96.1%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70.8% VS. 29.2 % Tires & GOG on different line**
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? **Parts manager monitors price deviation report daily.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Director, Parts Manager, Counter**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Established by the owner. Yes they are 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? **Yes,**
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. They are reviewed at least once a week with myself (GM), Service manager, Parts manager, and Fixed Ops Director.**
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)? **Yes. It is reviewed with the FOD and parts manager on a monthly basis.**

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? **Matrix. We are monitoring it weekly.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly.**
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? **No. We plan to start on by the beginning of the second quarter.**
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 have a subscription with NCM and OEM online training is available. Training is mandatory.**
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? **No. We have not integrated this into our sales process but plan to this year. We have a very young sales staff and needed to get the basics right first.**
16. What would help you sell more accessories? **Sales training for salespeople and a well stocked parts boutique, and online store.**
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? **Quarterly. We are going to contact our DMS to see where the best reporting can be found.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Currently each rep must produce \$2,167 per day per person.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Monthly reconciliation, spot checking after, and an annual inventory by a third party.**
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; we have a common definition. This includes all parts that is sold that we do not have in stock.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Recently developed a new process to implore the Service BDC to schedule and follow up on all SOP. Parts Manager to send updated list daily.](#)
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? [SOP, we have \\$150,000 @ 18 months](#)
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 do not have a strategy other than the Parts Eye recommendations.](#)
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? [5](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [We need to schedule him for training on DMS and potential at NADA.](#)