

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)? **Senior management seminar in Florida and Dealerconnect certification training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Come by let's be friends**
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? **Parts manager doesn't manually track it but FTFR is 89.1%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Internal is 60% and Outside is 40%**
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? **The prices can be adjusted by parts personnel, service director and parts manager**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service director and parts personnel**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at retail pricing for OEM and aftermarket parts. Internal pricing is established by service director and parts manager.**
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 at 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? **Wip is tracked daily by the service director and parts personnel. Time is always crucial**

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)? **Parts manager receives daily doc of parts and service numbers for the dealership. Also the monthly statement is continually discussed**
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? **Report for sales and gross are checked on a daily basis. Over the counter customers will pay retail which is 67% mark up. Matrix is only done through pricing in the shop**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Dealership's web page is audited once a week**
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 have an online estore. The leads are sent to BDC department and emailed to the parts manager**
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 mandatory and is done quarterly**
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? **We currently don't have a process for accessories. We have a display and knowledgeable personnel**
16. What would help you sell more accessories? **Help from the sales team and marketing materials**
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 the expenses monthly and adjust accordingly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$3000**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **The procedure is done weekly and accounting receives all weekly docs that are coded by the parts manager**
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 not tracked but we are currently working on a process**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Contacting the customer is usually the biggest task. The customers lack of urgency to come in also plays a big role
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? The process to obtain parts when they are on back order and the customer takes a different route with the parts still on order plays a big role. Return parts in general whether it's wholesale returns or internal are also factors
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 utilize every program we can to make sure our loyalty on ARO is upheld properly. Parts with minimal sales in a 6 month period are usually not added
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
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Monthly updates on expenses, the ability to use my peers for advice or guidance as well as more training