

## 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**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **The parts department does not have a specific vision statement, however the company does: Do it right the first time, Make it easy for the customer, Make it easy for the Team Member, Find a way to do it better, faster and cheaper without sacrificing service.**
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, I have never tracked the FTFR, I would guess 60%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? - **I would guess 90% of the business comes from inside.**
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? **None. Anyone can provide a discount it needed.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Anyone**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, we are at retail pricing for internal. Herb Williams, our parts director establishes our pricing policies and matrix**
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, as far as I know, we are at Retail Reimbursement.**
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**

try to close as many repair orders as possible to not have any WIP. When we do have WIP, service communicates with accounting.

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)? [We do not get a copy of the financial statement however we do a monthly goal setting and prior month tracking for parts sales, gross profit, expense and net.](#)
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 pricing is all matrix based pricing set up by Herb Williams our parts director, I do not have any control over the matrix.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? - [I have never looked at our parts web page.](#)
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 a parts E store. If we do receive a lead from the website, sales drops it off to us in a printed format.](#)
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 can get certified to be a VW associate in the VW hub. Pohanka also offers us summits where all the managers come together once a year for two days. I have never been to one, but I am invited to the upcoming summit at the end of February.](#)
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 do not, however we do have a process in which the new car manager and I pre-accessorize many vehicles so we hit our accessory performance bonus. We hit the top level every quarter last year.](#)
16. What would help you sell more accessories? [If we were to put a focus area in the dealership with accessories we don't already put on the stock units it would help.](#)
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? [No. Our wholesale accounts are handled by Herb.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [No](#)

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We do a physical parts inventory twice a year. Once the inventory is done Herb handles the discrepancies with accounting.](#)
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 enter lost sales in CDK. A lost sale is any sale we cannot make because the part is not here and the car leaves without getting the work completed.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Getting the customer to return and arranging a loaner for the.](#)
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? [Returns from the Body Shop. If we were signed up for VW automatic stocking we could return everything. We are not, so we are only able to return a set amount each month.](#)
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.)? [7/2 for both in and out.](#)
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? [1 I had never run the report before you asked for your NADA class.](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Sending as many people as they can to the class you just went to.](#)