

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)? **No formal training. Was trained by his father who held the position before him.**
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 for the the dealer or parts department.**
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 have always only used the CDK MGR report to track first time fill rate. Our current FTFR on the MGR is 92%. This number is skewed heavily by our large Quick Lane operation.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90/10 for our store separate from the warehouse.**
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? **There is a permission needed in CDK that only the CFO or Parts Manager can grant.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Assistant Parts Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are at cost + 10% for internal work. This has been in place for at least 25 years.**
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 full retail for warranty parts. We are signed up for automatic increases with a Ford program.**
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 a bi weekly meeting to review invoices and RO's to ensure we are closing out RO's and also being paid in a timely manner.

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, the comparative expense analysis is provided to parts and reviewed at a monthly statement review meeting.**
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 use a pricing matrix based on the cost of a part. We have not conducted a price audit in recent memory.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Infrequently. We rely on our advertising agency to review our website but they have no experience in parts.**
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? **Our warehouse handles all our online sales.**
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 offer no sales training, only the required Ford testing.**
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? **Accessories sales is handled by the sales department.**
16. What would help you sell more accessories? **More space for a retail display.**
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? **We do very little wholesaling because of our warehouse. Wholesaling we do is usually dealer to dealer.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No. Our reporting is intertwined with our warehouse so it's impossible to truly calculate per the NADA templates.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do daily bin checks and monthly mini rec's. We do a full rec in early December of every year.**
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 do a very poor job of tracking lost sales**

because we use our warehouse as a crutch. They do a better job of tracking them but at the store level we don't really consider anything a lost sale if we don't have it.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Currently its backordered parts that are part of the order. Once all the parts come in, the SOP usually gets cleared. Our Quick Lane was in a bad habit of ordering parts without customer approval on the job but that has been stopped.](#)
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? [Current obso is \\$36,385.](#)
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 in 12. Our RIM program is relatively easy to manage and we often are able to send any obsolescent parts to our warehouse.](#)
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? [9. Consider myself a very strong user of the DMS with fantastic help from our warehouse cousins with any questions.](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Provide more space for staff. Desks are very cramped and makes job difficult.](#)