

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. Discussions with factory trainers and other dealership parts managers.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No.
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.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
85%
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.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts department employees.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes. Owner/ Parts director. Yes they stay 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?
No. Yes. The parts manager looks at and closes WIP and sends report to the controller at month end.

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)?
No financial statement. Yes Parts manager reviews doc.

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?
To make as much money as possible. Monthly.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Parts web page is reviewed monthly 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.

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?
Manufacturer training is available and mandatory. Done on a yearly basis.

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?
Yes. Floor manager and sales people show customers Manufacturer Website as part of the delivery processes before customers go into Finance.

16. What would help you sell more accessories?
Not being a Hyundai store. Lol. Better displays and more inventory in stock.

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. Annually.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
No. Not off hand. We know daily as a department but it is not broken down per employee.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Perpetual bin counts and yearly physical inventory. Variances are communicated via comptroller who is on site.
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. Yes. A part quoted that is not in stock and not sold.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
Service department.
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. 38,589.58 current obsolescence.
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.)?
3/9. If 3/9 doesn't meet the factory's recommendations, we will still roll the part in. However their fast-moving parts are rolled in quicker than 3/9 and we just accept.
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?
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25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
Better pay for parts employees to keep turn over down and attract higher quality personal.