

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 parts training
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No vision statement at this time
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 we have not, I estimate about 80%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
In January we had 46674.65 in sales for internal, 44724.31 for all other. Internal accounts for 51.1% of all parts sales.
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?
User permissions for sale below cost. Any discount more than 15% needs to be authorized by F.O. manager
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Service Advisor, Service Manager
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes, GM has established retail pricing.
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 not at retail reimbursement for warranty parts sales.

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 currently do not have cross department follow up for open work items. The service manager is the main reviewer for WIP](#)

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)?
[Sales/GP reports are accessed weekly for review. No financial statement though.](#)

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 follow MSRP to be competitive with other local dealers.](#)

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
[Not often. About once a year so far](#)

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 estore. Parts lead forms are sent to all parts department personnel by email and anyone who makes a reply responds with a reply all.](#)

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?
[Mitsubishi web based training is available \(although not extensive\), and it 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?
[We do not, no process implemented so far.](#)

16. What would help you sell more accessories?
[Display units](#)

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 currently do not, as we have limited wholesale business](#)

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
[It is not broken down to parts advisor separately due to staffing](#)

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Every month end includes perpetual inventory balances. We also conduct yearly inventory counts. Spot checks happen during part picking process.

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 are not tracking lost sales. Going forward we will.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Appointment availability

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?

Obsolescence balance is about 19,000. These are still left over from our initial parts kit as a new dealer.

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 at this time. Factory recommended stocking guidelines are percentage based on goals, and they are sent out 5 times a week.

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?

10 if it's the information prepared on month end.

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Expansion support