

## 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)? **Attending Regional Ford Training activities, Online Training with FMCDDealer and STARS.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We need to create a new vision and always work on improving team culture.**
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? **DMS-generated report RFR. 91%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **40.5% vs 59.5% (total 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? **Gross Profit minimums set to alert counter staff of pricing issues/errors below ideal gross profit margins. Report Overrides (ROV) is run daily to review all changes to sale price, cost, core removal, etc.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts staff, Parts Manager, Parts and Service Director**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Management team. Yes.**
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? **Yes. Yes. All open Repair Orders and Counter invoices are reviewed monthly sorted by age.**
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)? The financial statement is reviewed each day by the Parts Manager, with focus on performance tracking and expense control.

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 utilize the price matrix tool(s) within CDK (SPB and DPB)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Monthly. 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? Currently using Fordparts.com as a retail-ecommerce tool.
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? FMCDealer/STARS training, Ford Regional training events
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 present the FordPass account and available funds at the time of vehicle purchase to increase accessory penetration.
16. What would help you sell more accessories? Accessories installed on new vehicle inventory displayed on the showroom floor.
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 use the PDA – Sales Ranking Report and review it twice monthly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Yes. Wholesale lead must sell \$3000 per day at 15% Gross Profit %.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Daily Perpetual Bin Counts are performed and reported daily.
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 but we can improve. Yes. All lost opportunities due to availability and price.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Service installation and related appointment setting.

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? Wholesale Parts returns and Service special order clients not returning. \$11,021.98
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.)? RIM is our largest contributor to inventory stocking, however, we review all parts with sales of 2 in 6 months.
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? 6
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? We need inventory space!