

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)? **GM COL, Parts Consultant development program, and the CDK Univ. for Parts Managers.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes...to be the automotive dealer of choice for both employees and customers.**
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? **Not in a long time. It was around 98% for maintenance and 60% for non-maintenance.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **58% inside and 42% outside and gross is 74% inside and 26% outside.**
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? **CDK allows us to block the changing of prices to select personnel.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Select Parts personnel and the Fixed Ops Director.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **The owner, Parts Manager, and Fixed Ops Director.**
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? **Our last petition brought us above retail.**
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? **Each department reviews their own. The Fixed Ops Director also reviews each department to assure it has been done.**

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 DOC is provided to the Parts Manager. The PM created a few reports to show productivity and profit percentages. The Fixed Ops Director also sits with the PM monthly to review.**
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? **Whatever the market will bear. We check to see if the percentages are in line daily. We find it easier to find/track errors this way.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Every month along with updating service and sales specials. We also check all phone lines weekly as well.**
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, we use Repair Link. The parts counter men get the email notifications.**
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? **None as of yet.**
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, we have just implemented this.**
16. What would help you sell more accessories? **A stronger push after the sale is agreed upon on the sales floor. See above.**
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 are not a large wholesale dealer but do great business for our size. We review customer accounts when a part is returned to ensure they are worthy of remaining on the books.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **We have a monthly departmental budget and the PM has a spreadsheet to monitor each employee's daily sales progress. THE PM has assigned a different percentage of sales and gross to each counter man depending on what section of the department**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do perpetual inventories throughout the year and one yearly outside service inventory. The adjustments are made to accounting yearly.**

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 track lost sales. The rule is: If we do not at the time of request we apply a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **The customer. We have various steps in contacting customers in place to ensure that we can get an appointment set.**
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? **We monitor it religiously. Our obsolescence value is \$2457.**
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 main strategy **The PM also runs a weekly stock order to see if there is anything they are not picking up. The PM gives the part a life cycle of one more month than what we would be RIM protected for on a part. The PM feels if he only had one request that did not sell he should be able to get one more without having to use reserve money.**
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? **7-9.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Nothing per the PM.**