

## 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)?  
-Learned from predecessor and mostly self-taught.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
- Parts does not have its own, but the dealer
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)?  
- 16.5% WS 32% Counter retail 25.8 Repair Shop 24.2 ESP Repair shop
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?  
- We have security settings within our DMS PBS that gives certain privileges etc.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
-Parts pricing can only be changed by the Parts Manager only!
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
- Retail is quoted to every customer on accessories etc. But internal rate is set at cost plus 20% negotiated by GSM and Parts Manager
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?  
- Cost plus 140%
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, they do
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 reviewed on a weekly basis; Managers can access this information through the DMS as well

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 base this off of what Ford recommends
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? -Website is reviewed on a weekly basis, everything gets updated as needed
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? -Yes, we do it is called revolution parts. We use Rapid response for any leads and the Parts Manager distributes to the Parts Counter guys to follow up with
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? - Parts training is available through P2P which is a Ford online portal
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, all clients are presented accessories with every deal, sales people are spiffed on the accessories they sell. We are in the process of looking into hiring an accessories specialist.
16. What would help you sell more accessories? -Hiring the specialist would help improve us sell more, we currently do pre load vehicles
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, they are reviewed on a weekly basis
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? -He does not know; I will do the exercise with him and show him how to calculate it.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? - Variances show up in reporting and or are caught by the accounting department, if need be, we adjust accordingly
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? -Lost sales are not tracked
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? - Biggest obstacles are communication/follow up with the customers via appointment coordinator, they try twice to reach out and then typically give up.

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? -Biggest cause of frozen capital is usually SOP being on the shelf too long, we need to do a better job at managing this and returning the parts. There is also a network of Ford dealers that you can list available parts on
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.)? - If he gets 3 hits on a part within 2 months he would phase in, phase out is base on what Ford recommends.
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? -He says 8
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? -Being more affective at delegating certain things to the Parts Counter.