

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)?
 - a. Volkswagen Master parts manager.
 - b. Porsche certified training.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - a. 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?
 - a. DMS.

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - a. Close to 55/45.

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?
 - a. Pull exception and deviation report
 - b. Pretty lenient on counterpersons changing price as long as holding overall gross MTD
 - i. Opportunity: Set up discounts to track more efficiently
 - ii. Opportunity: Set process for all, don't adjust prices.

6. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - a. No. Over retail. Fixed Ops Director set it up.

7. 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?
 - a. About 36%. Fix Ops Director didn't want to submit for increase.
 - i. OPPORTUNITY

8. 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?
 - a. Parts Manager works on it a couple times per month. Works with office when needed.
9. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved?
 - a. Matrix.
 - b. Monitor margins.
 - c. Mystery shopping.
10. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - a. Not enough.
 - b. Opportunity?
11. 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?
 - a. Yes. Parts manager and counter guys get them. Actually going to turn Revolution Parts off (probably by June). Selling to our own customers for less money and shipping it to them.
 - b. Opportunity: How do we reach people on a national level? Not just our existing customers.
12. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed?
 - a. None. No parts training from manufacturer.
 - b. Opportunity: Think outside the box. Attend sales meetings?
13. 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?
 - a. Mostly happens in sales.
 - b. Lack of a standard process, no accountability to present accessories.
 - c. Opportunity: Revamp process, figure out how to get Gary involved with Sales.
 - i. Maybe lead some trainings or do some co-training.
14. What would help you sell more accessories?
 - a. Training for salespeople
 - b. Flashy displays
 - c. Visual aids to assist in selling (line cards by model)
15. 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?

- a. Informal every couple of months
 - i. Review return rate
 - b. OPPORTUNITY: More data. Less feelings more numbers.
16. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- a. No. Current process is set to be profitable.
 - b. Opportunity?
17. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
- a. Yes. Pretty liberal on what is a lost sale. A little more arbitrary.
 - i. Opportunity: Write out a process/scenarios.
18. 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?
- a. 10
 - b. Opportunity (for me): Run every single month and turn it in. Month end reporting process.
19. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- a. Hire another person. So that Parts Manager doesn't have to cover so much and focus on some of these bigger, more complicated issues.