

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. **ADMI, Ford Certified Courses, and RIM**

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. **NO**

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - a. **80% Inside and 20% outside 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?
 - a. **Jesse gives Parts employees ok up to a percentage, then they are required approval after that. Jesse also runs a part price override report daily.**

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - a. **Only Parts employees**

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - a. **Yes we charge Retail price for inventory units. Jesse established the policies.**

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?
 - a. **We are a retail reimbursement state and at retail for warranty. We are to petition again in April I think.**

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?
 - a. We do check the service and Body Shop RO's more than parts open repair orders. The office pulls the open RO list for Service and BS and goes over with each manager.

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)?
 - a. Yes Parts Manager is given Page 5 of the Financial statements each month. It is not always discussed with management, unless there is an issue or big difference in the month. Jesse looks at the DOC sheet occasionally.

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?
 - a. All we were told is that all customer pay is priced on a matrix. We were not told how the matrix was broken down.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - a. Jesse doesn't look and doesn't have access to the webpage.

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?
 - a. Claims they look at the queries every day and responds as well as Kim one of our counter people.

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?
 - a. Yes mandatory through Ford and everyone is certified yearly.

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?
 - a. Sales is supposed to offer at time of sale. Ford also sends emails and offers parts through us.

16. What would help you sell more accessories?
 - a. More accessories offered at time of sale then the customer is introduced to the parts department and offered accessories again.

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?
 - a. Yes Jesse looks at them monthly
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 - a. No he doesn't know. But they do focus on what goal we want to meet on monthly sales.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
 - a. We have a receiving person that does daily bin checks. And Jesse makes the adjustments if needed.
20. 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 anything that we would have sold if we had it, or something bought at NAPA is a lost ford sale.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
 - a. Communication!!! He is referring to all departments communicating better.
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?
 - a. No return privileges after a part goes idle.
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.)?
 - a. 2 sales in 6 months or 3 sales in 12 months. Jesse looks daily at RIM to see what he needs to stock per sales and ford guidelines.
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?
 - a. Jesse says 8 to 9. He has worked here for 33 years
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
 - a. Better communication. Not ordering parts before the tech looks at the vehicle.