

## 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)? *Just training through OEMs*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *To help all customers with any needs they have*
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. 87%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *96 inside, 4 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? *None (for now)*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts unless they unlock the prices, which typically does not happen*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Warranty rate, the DP sets them, they adjust when our warranty rate does*
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? *We petitioned it in 2021 and it went up, tried again last year and it would not have made a change.*
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, we do a monthly report and give to the controller.*
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)? *Both.*

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 have a matrix in place that we check every 6 months.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Our parts web page goes to a bigger site that we have set up for our whole company. It is looked at weekly by an outside person.](#)
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? [We do, the parts manager checks on them several times per day](#)
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? [We just use the OEM training, however it was just him until last month. We do have a company-wide training that happens twice per year.](#)
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, it is presented by the sales department.](#)
16. What would help you sell more accessories? [By training the sales department to bring their customers back to the parts department when taking delivery.](#)
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 review often because there are so few, hoping that changes in the future. Almost no returns as of now.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Not readily.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We do bin checks twice per week. If there is a variance, we work with the controller to figure out how and why.](#)
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 it is tracked, they all know if there is demand without a part, it is a lost sale.](#)
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Finding time to schedule the customer to come back in and other parts needed to complete the job are on backorder from the factory.](#)

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? \$15842. SOP back in inventory from before he was thee.
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.)? Phase in is 3 sales in 9 months, phase out is no sales after 9 months. We try to follow RIM as closely as possible so we can send back when needed.
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? 8
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Communication between departments