

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)? **2 YR Business degree from Millersville University. 35 years as a parts manager**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Accurate and consistent customer service for both the departments we service and the customers that patronage our store. While maintaining profit margins set by ownership and management**
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, I use DMS only. FTFR – Jan 2023 87% all makes and models**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90% in house and 10% Wholesale and retail counter.**
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? **I have open policies for price changes, although I audit the override report, exceptions and plus/minus report daily.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager, parts counter and service manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We sell at price 6 which is 20% to 30% over Ford retail.**
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? **Yes, we are above retail for warranty rates.**
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, work in process is closed out for both service and parts if able to by months end all RO's and parts slips are reviewed during months end that are open to determine the cause is: Backorders, still in repair, warranty issues or any issue that would keep it open.**

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)? [Yes, we receive a daily doc spread sheet for parts department to review all profit margins for each section of sales and reviewed with staff.](#)
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 use a pricing matrix with higher margins for lower dollar items and working to lower margins as the cost goes up. These profit margins are checked daily and staff is advised if these margins decrease below our standards.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Every three months it is reviewed for coupon time limits and so forth.](#)
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? [Parts store was closed Jan 23 due to platform company expenses to profit rate.](#)
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? [Any of all Ford sales training is required to complete](#)
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 an accessory boutique fully stocked.](#)
16. What would help you sell more accessories? [Better and cheaper displays. Fordaccess.com side made better and labor prices corrected local accessory vendor offer consignment.](#)
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, we review wholesale customers and if too many returns, we first decrease their discounts and charge them all return fees.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [1300 Per day x 5 people.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We have a perpetual cycle counting 12 months a year. We don't normally have any large variances, if so, mostly missing ford invoices of entered twice by office](#)

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, we track lost sales. Staff is to work with both managers on whether a lost sale should or should not apply for all parts not in stock.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Mostly vehicles on the road and getting them back within the 60 day period.**
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? **Most obsolescence is either hardware broken packs, certain items that most times you always keep, some parts under \$15 not eligible for Ford return and SOP's over the 60 day return. \$8600 or 4.09%**
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.)? **I use RIM suggested order only and adjust off enough to maintain highest discount**
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? **10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Provide training for the employees, like NADA to help everyone understand the ins and outs of the department.**