

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)?
 - BSBA in Management + Marketing from UAH (Not Parts Training obviously)
 - Ford Parts Management Classes
 - 20-Group Meetings
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - No we do not.
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, never manually
 - Have been tracking as part of Dave parts consulting. Last time showed 68/69%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 94% is inside 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?
 - None, having to use price overrides in our DMS to manually set prices for oil changes because DMS is defaulting to matrix and not working properly
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - Only parts people and GM
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - We are a little above retail for internal
 - GM
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, at or a little above retail for warranty

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?
 - Parts manager goes through open parts invoices.
 - Not really working together with other department managers, reviewing ROs on their own

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)?
 - Runs DOC report daily
 - Provided financials monthly but no one reviews with him

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?
 - Have a pricing matrix. Every day checking the doc report. Our target is 42% but depends on how much power train we do. Can be 37% with a lot of power train but was 45% last month because we did little power train.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - Very rarely, maybe once a year

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?
 - No but looking into it currently.
 - Get enquiries through email, Kyle forwards along. Claims we usually respond within an hour.

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?
 - Just GM Training
 - Never

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?
 - We do not and he did not know why.

16. What would help you sell more accessories?
 - Bigger online footprint
 - Better communication between parts & sales

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, usually every 6 months.
 - Looks at return rate and other factors. Not all business is good business. About to change mark-up on 2 customers due to return rate and difficulty.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
- Doesn't right now but used to. Used to get NADA composite and it had it in there.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- Really don't have a big problem.
 - Spot bin checks, 5 to 10 weekly.
 - Yearly Inventory
 - Just gets with CFO.
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-→ Good question.
 - Working definition everyone generally understands but on the finer points probably needs some explanation.
 - Airs on the side of reporting lost sales if any doubt.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- Getting customers back in for appointments.
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?
- Getting people back in for SPO
 - Parts being ordered wrong
 - Parts being ordered that are not needed
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.)?
- 3 hits in 6 months/ no sales in 15 months
 - Not really, mainly ordering RIM.
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?
- 8/9
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- Better interdepartmental communication

