

## 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)? **Lithia Leaning Center only.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, They do not have individual Vision Statement for Parts Department.**
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, we don't have one manually we use our DMS report and Spark Report.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **72 % Inside - 28 % Wholesale**
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? **We run a deviation report once a month and check with the advisor if numbers are out of control.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Advisor, Cashier, Service Director, Service Advisor, Managers.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Our internal prices are control by our Service Director and our Used Car Manager.**
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? **Last time was June 2022, our Warranty reimbursement still lower than Retail.**
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? **We do have spread sheet with details for all WIP, on this spread sheet shows the date, quantity of parts, parts # and advisor name, all the PO for the WIP are printed too and handed to the Business Office to support the report.**

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 do have a department meeting once a month to review the statement numbers.](#)
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 review this every quarter to make sure we achieve our goals.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [We review this once a month, usually on first 5 days of the month we send the coupons and offers to our marketing director.](#)
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 have the eStore platform in our website, we get the lead as an email with the order details and customer info, usually the wholesale advisor takes care of that, most of the time is lack of follow up and communication with the client.](#)
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 do have one internally with Lithia Learning Center and is not mandatory, currently we don't have enough training for our advisors, we need to improve that.](#)
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 have one, we need to put in place a new process to achieve this, need help with this process, interesting subject.](#)
16. What would help you sell more accessories? [Efficient communication with our customer, implement a new process to improve our accessories sales, better marketing.](#)
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 run a report once a month to review our Wholesale Customers, if something is out of the ordinary, we do call the wholesale customer and give our feedback.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [No, we do not have that number.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We do random bin counts on weekly basis, physical Inventory every quarter, We do our adjustments in our DMS.](#)

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? [We have talk about it, I think we do not focus on this, we do not track our lost sales. For me the Lost Sales is an opportunity that we have missed.](#)
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? [Have the customer prepaid for the parts, for sure lack of follow up with the client \(communication\)](#)
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? [After a year we write off our obsolescence inventory, the biggest cause is our SOP \(we need to improve our process\).](#)
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.)? [We do meet with the regional parts director \(Volkswagen of America\) every 2 months reviewing it, we have their recommendation but we take some actions based in our orders.](#)
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? [7](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Better Training and Efficient Communication.](#)