

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)?
Besides the training from the Factory (Chevy, Mazda and Ford) no other formal training.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No vision statement on this 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?
Never before tracked manually. 86% based on DMS report.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
90 % internal, 10% front counter and 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 have set up price level matrix, retail, wholesale and warranty but are open for parts consultant.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts consultants and Parts Managers.
7. Are you at Retail pricing for Internal? Who established your internal parts pricing policies? Are they current?
Yes we do retail pricing for internal, C.O.O and Parts director stablish the internal pricing policy, and yes they are current.
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 at 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 and service manager follow up on WIP to make sure the open R.O's are closed in a timely manner.
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)?
Parts managers doesn't get the financial statement, he has access to review the DOC in a daily basis.
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?
Matrix pricing and we check pricing goals daily with the DOC.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Every Wednesday we check the Web page for hours of operations, coupons and pictures, we don't have catalog of parts on our website.

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 just signed an agreement with Ebay, starting working putting everything together.*
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? *The only they have is the OEM mandatory training.*
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? *No, working on that, we offered to our customers from sales 100% the accessories (using the Ford Reward program and the rebates offered by the factory).*
16. What would help you sell more accessories? *Preloading units, and creating a process to offer them to 100% of our customers, having in the showroom the accessories available (sales, parts and service), adding to the pay plan a good incentive to sell accessories and train our sales consultants, parts consultants and service advisors.*
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, every month.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *Yes, 1850 dlls gross*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *We do perpetuals and the reconciliation every month.*
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, they understand the definitions of lost sales.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Getting customers back to the store, but we do have the policy of SOP's that needs to be 100% prepaid to avoid losses.*
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? *Do we have under control obsolesces, we have under 3 %.*
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.)? *Yes, we do use RIM to have our inventory protected.*
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? *More training, and have processes to incentivize sales in our Parts department.*