

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)? **NO NADA School, just on-site training with a longtime parts manager from a PAG store with 20+ year's experience. No PAG training as well.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No Vision Statement.**
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 on tracking it manually. We run a report from our PAG browser. FTFR as of 5/15/23 77.78%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **68/32**
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? **Counter people can adjust pricing they just can't sell below cost. Service advisors have access to discount parts, but are not allowed to sell below costs. At times (rarely) the service director will lower the price of parts below costs if there was a mistake in the R/O.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Counter (front and back) and Parts Mgr.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **PAG is set at 40% internal. Always been at 40% for internal. At times we will charge straight retail because he price is lower that 40%.**
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? **Warranty State (2/1/23 \$173.60 to \$189.40 Labor Rate, Parts Mark-up 85% from 40%)**
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 a WIP report at month end.**

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)? **No. We shall start going over the financial vs. the DPR.**
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? **Report is given to us monthly by our PAG director of fixed operations. Weekly checks in regards to pricing (#2211, #2535). Goals are being achieved**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Coupons, no. Hours of operation once a month because of a PAG EOM checklist.**
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 on EStore. Our parts manager through online parts quote which sucks. We are looking to update that asap.**
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? **None from PAG at the moment, we used to have Parts training in the past (10+yrs), but training has been though management.**
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.**
16. What would help you sell more accessories? **Primarily Availability**
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? **Case by case. If we start noticing a lot of returns then we lower their discount percentage and adding notes for future purchases. Changes we make a pre-paid along with a re-stocking fee.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Weekly bin counts. Parts with no bins. Run a plus and minus report.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **No. We have a process we are working on.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers back in. Service Advisors, Parts manager, could do a better job following up.**
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? **Currently at \$7100, after parts return at \$2800 and should put us below 1%.**
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.)? **No, but we have program (SRD) that will drop to slower source and will eventually phase out. We do wait 12mos to return parts. We average about \$5-6k in returns a month without getting charged a return fee when its over 4%.**
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.**