

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)? **NADA Parts Mgr. training, & fixed operations academy**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We are working on one, but do not currently have a 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? On a limited basis. **65%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **85% versus 15%**
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 recently taken away all access from counter people.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Just the Service & Parts Mgr.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. My Parts Mgr. installed Parts Matrix pricing**
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? **MS recently passed that law to come into effect**
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. Our staff has regular meetings to discuss WIP etc...**
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, but the DOR is reviewed with all Fixed Managers**

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. Bi-weekly**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **As of now, it is performed once a month**
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? **Yes. BDC tracks all responses, and gets with the Parts Mgr. when needed**
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? **GM Factory training for Parts Advisors**
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. We are adopting one to offer 100% of the time to customers.**
16. What would help you sell more accessories? **Pre-loaded vehicles and more display space.**
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. They are reviewed monthly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No. I am interested in adopting this practice.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Physical inventories twice a year, and monthly reconciliations.**
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 are. We have got to share this with our counter people on a more consistent basis.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Contacting the customer, and getting them back in the store to pick up part and/or installation.**

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? **Ordering SPO'S without payment prior to ordering.**
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 currently do not have a phase in/out strategy. We are RIM & ARO compliant on a consistent basis.**
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? **I think giving them the ability to properly staff their department, and truly manage their inventory.**