

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)?
 - All GM parts manager training and 30 years experience
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - Always Growing
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
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 65% RO and 35% 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?
 - Only the parts manager has control
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - Parts manager only or countermen with parts managers approval
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - Cost +20% - GM established pricing. Yes, it is 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, retail for warranty state

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?

- GM, PM, SM, and CFO follow up daily on WIP

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)?

- DOC only and reviewed weekly

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 strategy in place and reviewed weekly

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

- BDC audits and reviews with parts manager monthly

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, the parts manager and counter people respond ASAP. Within 1 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?

- GM training is available and done quarterly. Yes, training is mandatory.

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?

- Yes, sales personnel offer to every customer buying a new or used vehicle and are walked into the parts department.

16. What would help you sell more accessories?

- Better availability of accessories from GM (much of them are on backorder or red listed)

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 with shops and parts manager bi-monthly.

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?

- Perpetual bin counts done daily and then an inventory count twice per year with our parts department and outside vendors.

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, we post whenever we do not have the part to sell.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

- Customers coming back for SOP/Warranty repairs.

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?

- Mostly chemicals and no GM products such as hats, and t-shirts. \$8,028.78 at \$877,628.30 total inventory

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.)?

- 30-day period. Part must have 1 or more sales in any 3 periods out of the last 270 days. Phase out if no demand in the last 270 days.

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?

- 10

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

- Not sure, my management provides a wealth of help and information.