

## 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)?  
Practical on the job training (30 years' experience both OEM and aftermarket)
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
Help every customer and support the sales 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, 88%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
Approximately 75% inside vs 25% outside
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?  
They have been told not to discount items
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
Currently, all parts and service staff have the authority
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
Yes, retail for internal parts to sales
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?  
No, OEM's do not offer retail price for warranty pricing in Canada

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?  
No, they do not
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, the financial statement is not shared with the Parts Manager
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 use the OEM MSRP pricing
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
Never
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 not
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?  
No sales training, just a generic phone etiquette
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, only the units in the show room with accessories and our boutique
16. What would help you sell more accessories?  
More sales buy-in
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, Our wholesale accounts are very healthy
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
Before class, I did not know this number. Now I know it is \$2270 in sales per rep per day

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
We have an internal auditor, and we do regular inventory counts
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?  
they are not
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?  
customer contact. In some cases we have payment in full, but cannot reach the customer
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?  
\$185,000 in obsolete parts. Mostly from the buy sell (pre 401 group)
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 use Parts eye, and we have been getting strong results. We should use a 3/9 phase in phase out. We have limited space for parts.
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?  
5/10
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?  
Training, reporting and staff