

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)?
 - i. FORD FACTORY CERTIFICATION
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - i. NOT YET
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?
 - i. NOT TRACKED MANUALLY. 69.43%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - i. 72 % INSIDE 28 % 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?
 - i. LOCKS WHERE PARTS CANNOT BE SOLD BELOW COST. CANNOT MODIFY SALES TAXES OR SHOP SUPPLIES ON RO AND COUTNER TICKETS.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - i. PARTS EMPLOYEES AND PARTS MANAGER
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - i. YES, WE ARE AT NORMAL RETAIL. CORPORATE ESTABLISHED PRICING. PRICING 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?
 - i. WE ARE CURRENTLY PETIONING THE OE FOR REIMBURSEMENT AT A RETAIL RATE. WE ARE AT COST PLUS 40% CURRENTLY

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?
 - i. YES, WIP IS TALKED ABOUT EVERY MORNING AND THERE IS AN EOM PARTS RECONCILIATION.
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)?
 - i. NO, THE PARTS MANAGER HAS ACCESS TO PULL THAT INFORMATION WHICH HE DOES A COUPLE TIMES A WEEK.
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?
 - i. RPS IS TO HAVE AT LEAST A 47% SELLING GROSS. THIS IS CHECKED MONTHLY
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - i. REVIEWED 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?
 - i. NOT YET
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?
 - i. MANUFACTUER TRAINING. WORKING TO GET CRM 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?
 - i. NOT CURRENTLY. SALESMAN WOULD TAKE THE CUSTOMER BACK TO THE PARTS DEPARTMENT. WE ARE WORKING ON GETTING THAT GOING AGAIN.
16. What would help you sell more accessories?
 - i. WORK WITH THE USED CAR SALES MANAGER BETTER ON UVI. HAVE A BETTER ACC DISPLAY.
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?
 - i. YES. THEY ARE REVIEWED MONTHLY.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 - i. YES. BECAUSE OF NADA!

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- i. VARIANCES ARE CONDUCTED MONTHLY TO ASSURE EVERYTHING IS ACCOUNTED FOR.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
- i. NO. WE DO AND ARE WORKING TO BEGIN TRACKING LS.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- i. SERVICE DEPARTMENT GETTING THAT CAR BACK IN THE SHOP TO PREFORM THE WORK.
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?
- i. ORDERING THE WRONG PARTS. SOP TOO HIGH. ACCS ORDERED AND NOT PUT ON CARS. \$40,000
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.)?
- i. 3 HITS IN 1 MONTH WILL TRIGGER AN ORDER. ANYTHING THAT HASN'T SOLD IN 9 MONTHS IS PHASED OUT
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?
- i. 7
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- i. QUICKER COMPUTER SOFTWARE AND BETTER PRINTER LOCATIONS.