

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)?
VW Master Part Manager, Porsche Certified Training, NADA Academy Seminar (Recent)
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *No.*
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. Don't know.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *55%/45%*
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? *Set up discounts to track more efficiently and set process for all, don't change prices.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Fixed Ops director and Part Manager.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *Yes. Fixed Ops Director.*
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. Never submits for increase.*
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? *Couple times a month as needed and there are no guidelines for process.*
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 financial statement reviews. Part Manager have full access for DMS to run all report regards parts department.*

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. Monitor margins. Mystery shopping for competitors. Don't have schedule set for check to see if pricing 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? *Not enough.*
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, we do have an online store and Parts manager and counter staff is respond to lead but respond time is not good.*
14. What sales training is available for Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? *No sales training is available currently.*
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. During the sales process salespeople present AIM to customer for accessories sales.*
16. What would help you sell more accessories? *Digital catalog and training for salespeople.*
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? *Informal every couple of months.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *No. Current system is set to be profitable.*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
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. Currently pretty liberal on what is lost of sales. Need to set clear definition and training them.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Contact the customer and set appointments.*
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? *The biggest cause of obsolescence is SPO parts. We have changed policy that any SPO over \$250 are now required to be prepaid. Our current dollar value of obsolete is \$25,000.*
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.)? *Our phase in / phase out criteria is 3 in 12. Toyota, unlike GM with RIM, does not have a factory guideline for stocking. I've only seen that with the domestic brands.*

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? *Hire another person to Parts Manger does not have to cover so much and focus some of these bigger, more complicated issues.*