

## 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)? **Acura training and also parts classes in Orlando when first coming on board**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No but it is something that we will look into creating with our team**
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? **Yes – 89%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80/20**
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? **N/A – only have 2 guys and they have the pricing set**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **No one other than parts people**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **55% markup which is our companies average set**
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? **83.14% currently, we just did this a few years ago and got it bumped up from 40%**
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? **Everything is sent to accounting and she posts them and then we print and match up with packing list and into the right GL accounts**

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)? **Yes, printed and shared daily**
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 used to receive a report to compare with our sister stores, we were always in the top 3 out of 16. New price levels are reviewed 2x a year**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Multiple times per 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? **We just got this set up with Acura, emails are sent to Parts manager and myself**
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? **Acura offers it on all new products for parts personal**
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, Acura has an accessory sheet that we have the client fill out and sign as part of the deal jacket to go over the options available and the pricing and if they would like to add them into the deal.**
16. What would help you sell more accessories? **We are currently setting up more in stock units to have accessories to sell off**
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? **Once a year each account is reviewed unless during the year we begin to see an uptick in returns than it is reviewed earlier.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No but I did share with him what it was and how it is calculated**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **12-14 bins counts per week 25% per week is sent in to accounting and then we have annually checks**
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, any part request that can be ordered, paid for and installed and we can not get for the client quickly**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service getting appointments set for the parts once they have arrived**
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? **Not much at all – doesn't seem to be an issue – wiring harness etc. \$500 write off from parts per month to help.**
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.)? **3 hit for 6 months – Same as OEM currently**
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? **9-10 honestly**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Just making sure we stay in communication with SPO, following that process, continuing to increase dressing up in stock vehicles as well to help increase the accessory side of the department**