

## 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)?  
Ryan has not received any formal parts management training. We just signed him up for NADA in July.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
We have a Vision statement for the dealership, but we do not have one for Parts! We are going to develop one and ensure all departmental employees memorize and believe in it.
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, we have not been keeping track of it in Evanston. In fact, out of our 7 locations, only one store is keeping track of it and they are at 78%.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
Honestly, about 90 to 95% of the business in parts comes from Inside. This is our biggest area of opportunity, outside sales!
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?  
Parts advisors have permission to adjust anything. Tracked on a report showing price changes, making sure nothing is out of line (looking for trends) There is a max discount setting for service.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
Service and Parts Advisors both have the ability to do so.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
Yes, we are charging retail for Internal. Our fixed ops director and dealer decided that and we are current with it.

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?  
Not in Wyoming
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?  
WIP is managed by the service manager and service director, supposed to be done weekly. Key word is "supposed to be done" this is something we can do better at because we do have some aged items that should be talked about more often until handled.
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)?  
Not a financial statement but they do have a daily report. We are going to start using the financial statement and review the areas of it specific to the 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?  
40% retail gross goal and it is not being achieved. We have not been viewing it regularly.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
We have not been paying attention to the parts web page. This was a huge thing that stuck out to me during the parts training.
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?  
No, we do not, and we have not been handling the internet leads submitted through the website properly.
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?  
None, we do have any nor any certification process. This was another eye opener and one we are onboard for implementing.
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 have a pretty solid process, but it is not being executed. The reason being parts and service haven't felt the importance of it until now. They also need to be reminding sales to do the introductions. They should be looking forward to them.
16. What would help you sell more accessories?

Offered to every guest every time (following the process we have in place) Also having a better stocking position with popular accessories.

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?

No not in Evanston. Logan is reviewing this, but Evanston is not.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Never broken it down until this training, now it's going to be a part of the daily tracker they receive.

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Bin count once a week and switch up who counts the bin every other week.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

LOST SALES ARE NOT BEING TRACKED! Every stores definition was different too!

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

Service not scheduling guests, not following the process.

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?

172k, return credit not available, lost sales?? Just some main reasons all going back to proper training. It's not being done because they don't know!

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 don't have one but are creating one for the whole group now. Our Factory stocking guide has gone down month over month and so we need to bring that up as well.

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, some reports we know as a 10, some we don't know at all.

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

Training, Training, and more Training. Have specific certifications to obtain and knowledge of the position. Defining a VISION for the department.