

## 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)? **No, 50 years of franchise training- cdk-adp**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, Treat our customers like kings**
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 use of CDK and Chrysler dealer connect. Our current average is 82%-85%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90% inside 10% 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? **None. It is necessary for many people to be able to change the price during the course of the day.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **No one in service can change the price. Parts counter and parts manager can adjust prices.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Retail for used cars. Cost and 25% for new car accessories. Owner established pricings structure.**
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? **Yes we are, close to retail 6% short.**

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, we work independently to close all ROs and part invoices. We check with the office from time to time to verify inventory. Office give us a daily exception report on open invoices.**
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, we do not have any access to the financial statement. We are given access to the DOC.**
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 check our prices daily. Our price matrix is done by the dollar value**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
**Almost 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?  
**No online e-store. We all monitor the emails.**
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?  
**Yes, Chrysler training on a quality basis**
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, at point of sale.**
16. What would help you sell more accessories?  
**More availability of parts and exposure at time of sale**
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, we discuss the no return on special order policy and constantly monitor returns.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
**No**

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

Any variances at time of discrepancy are adjusted and perpetual bin checks are done periodically. Not does as often as they should though.

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 we track only with the lead counter people who understand the process and value of the lost sale.

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

Service contacting customers

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?

Special orders, not being picked up. Our obsolescence is about 10% monthly

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.)?

Controlled by ARO. We are 99.5 compliant

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%

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

Understand the need to maintain good help and keep the right people. They do a good job at this.