

## 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)? **Honda IN University**
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**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75%**
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? **They have Privileges to change prices on invoices but cannot change cost in PM**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts advisors**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **They are at retail pricing provided by parts manger and GM.**
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? **Retail**
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? **Yes we monitor it on a weekly basis.**

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)? **We do a parts trend 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? **Being competitive but also profitable.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Quarterly**
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 , it's directed to the parts advisors .**
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? **Honda in University, it's required.**
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 install accessories on all new cars, and some used cars. The sales, parts, and service departments have displays and booklets.**
16. What would help you sell more accessories? **Selling more cars and informing the customers of the available accessories to personalize their vehicle to their specific needs.**
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, on a monthly basis.**
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? **Reconciliation is done at the end of each month.**
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, When we are unable to fill the demand and the customer leaves without purchasing the part.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Contacting the 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? **If we had some, I believe it would be special orders not being monitored regularly and not running a monthly MSR report every month's end. We have Zero obsolescence at the end of each month.**
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 adjust our stock orders after the DMS selects the recommended part to stock.**
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? **8.0**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **I believe open lines of communication and support with the DMS.**