

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 formal training except a three-day General Motors service department workshop.**
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? **Not until Jason brought this to my attention but we usually have an 80% FTFR.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **55% would come from inside RO's.**
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? **I have a security password that pops up and needs to be entered anytime a part is being sold below cost or access to any reports and adjustments are allowed.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only the General Manager and I have the password to change pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **I determine the pricing for all parts and try to be at 40% mark up for internal unless the general sales manager has a special request on a RO.**
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? **Being a Canadian dealer, I understand they only pay 28% margin on warranty parts here.**

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? **We do work with the controller at month end if there is RO's that have been open longer then 14 days at month end. She calls down and goes over the list of RO's she feels should be closed for month end. I generally have this under control most months and only receive this call a couple months of the year.**
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)? **The FS is not given out to any of the parts or service managers. In the DMS I do access the daily operating and gross profit reports.**
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? **I try and keep my retail sales at 40-60% mark-up and generally don't have any competitive issues.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **These have never been reviewed by myself only the web controller and general manager.**
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 do not have an online store and if there are any email leads they get emailed to the general manager first then forwarded to me if they are credible.**
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? **No testing or assessment has ever been done. There is mandatory GM training I must complete online by the end of each quarter.**
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? **The salesman goes accessories with each customer during the buying process and then brings them over and introducing them to myself. This allows a parts advisor to go over any accessories they are interested in and price them out adding them into the contract before going to the finance office.**
16. What would help you sell more accessories? **Having a larger show area to allow people to touch and realize what they would look like on their vehicle.**
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? **I review my wholesale customers monthly and go do a site vist if I see them falling below previous sale months.**

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do not.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **I do daily audits on high use parts and monthly audits on different sections of the parts inventory. I adjust my inventory and send a copy to the controller and general manager.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **I do not.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the service department to make appointments with the customers and the second biggest obstacle is getting the customer to come back as they are busy or away somewhere.**
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? **I have worked here for seven years, and I inherited a very large obsolescence of inventory. I have been working hard every year to write it down fifteen to twenty thousand dollars a year, but I still have one hundred eighty thousand dollars of obsolete parts.**
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.)? **I talk with the service manager daily and see if there are regular items we will be requiring for a while and add this to RIM.**
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? **I do not have a great understanding of this but I would be interested in learning more. I would give myself a 7/10.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **I would like to be sent for more training to understand reports and have more access to management reports for the parts inventory.**