

## 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 parts management training other than what is provided by the manufacturers and the Faulkner Organization.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **The Faulkner Organization vision statement. Vision: The Faulkner Organization will strengthen and grow while striving to be the automotive dealer and employer of choice in all of our communities.**
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.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **RO/Internal/Warranty: 44%, Counter Retail/Wholesale: 56% These number do not have tires, oil, or accessory sales included.**
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? **Policy: Need to get managers approval. Privileges do not have access to change pricing structure. Reports: Daily exception reporting.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **No one outside of the parts department has access to pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, we charge a retail price. Part manager establishes pricing.**
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? **We are a Retail Reimbursement for Warranty or MSRP state.**
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. Our month end push assures all RO's get closed.**

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, financial statements are given to each manager at the end of the month. A DOC is provided 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? **Retail parts are priced at MSRP. Pricing is checked on a monthly basis.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Parts web page: not often enough. Coupons, hours: monthly.**
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? **Parts online: Yes. We review all orders first thing in the morning and receive email throughout the day when an order is received. The Parts Manager and one counterperson receive all orders and questions.**
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? **Most training is provided by the manufacturer. It is not mandatory. Not very often.**
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, our sales team has access to an online accessory (PivNet) ordering site.**
16. What would help you sell more accessories? **More POP provided by the manufacture. Displaying accessories on vehicles in the showroom and demos.**
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. Reviewed quarterly.**
18. Do you know how much each of your Part's salespeople must sell each day just to breakeven? **No, this has never been considered.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Daily bin checks are done. Variances are normally minimal and do not require communication with the accounting office. All variances are reviewed using multiple functions to find out what happened. He conducts a yearly inventory audit.**

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, lost sales are tracked. If there is a demand for a part and it's not in inventory, then it receives a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers to return for the repair.**
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? **Obsolescence at our store is not a problem. Being a Toyota store, we can return parts ordered on a Critical order up to 90 days without a 20% restocking fee. Parts ordered by stock order can be returned between 9 months after the order date and 18 months without a 20% restocking fee. All parts being returned must have a dealer cost of \$8.00 or more per part.**
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.)? **Our phase in/phase out settings for most sources is 3 sales in 12 months. Our source for maintenance items is set at 2 sales in 12 months.**
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? **At this time, we have all the tools needed to do our job effectively and efficiently.**