

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)?
None
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, 61%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
65% internal vs 65% 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?
Metric pricing is in place and no counter person can make changes.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Only Mangers
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Yes, GM/Owner, Yes
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?
Texas, Not Retail Reimbursement...
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, Yes, DealerTrack Doc-clean
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
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?
Cost + 45% This is monitored monthly

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Monthly, 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?
No, Need to incorporate
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?
To date little to no training, Sept 1,2023 Training has been introduced and will be required weekly... Assessments weekly, tested monthly, and will remain current with a defined career path for the employee to gain motivation for constant improvement.
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?
No, Currently we have been in a complete dealership restructure. As we continue to gain knowledge we plan to implement processes.
16. What would help you sell more accessories?
Training and understanding between both Parts & Sales Departments
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, annually
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
Yes, 2 counter salespeople must produce \$1,140/Day each
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Weekly checks by department manager, communicated in weekly status meeting with GM, Accounting, and Parts
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
No, No, Currently working with our platform manager on establishing definition.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
Our team has had a failed history of not collecting balances up front leaving customers no reason to return in a timely manner or at all once the part arrives.
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?
Poor management to this point, \$197,314
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.)?
It has been set up on our DMS default and we just got set up with RIM. There hasn't been a strategy or a process to balance. I have recently hired a parts mgr and am currently working toward establishing strategies and processes.
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?

7

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

Work together implementing processes and training with Parts Manager and counter sales employees to build knowledge that will put us on track to succeed.