

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)?
ADMI school I 1995
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
We don't have one
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. Doesn't know FTFR.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Wholesale is 78%, 22% from everything else.
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?
Only parts manager has access to change anything.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
The parts manager only
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are at retail for used, but less than for new. Mike Castrucci & our parts manager set up pricing. Yes everything is current.
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?
Ours was raised 6 months ago to 93.75% (avg of customer pay).

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 office mgr involved. Each dept head takes care of their own wip.
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)?
Parts manager has never used the statement. He uses the doc 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?
We use matrix pricing, and he watches daily.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
We have a minimal parts presence on our website. Nothing has been reviewed, or changed in a long time.
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 use a 3rd party company to manage for us.
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?
None. Parts has never given them any sales training.
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 have no formal process. It varies by salesperson. Lack of communication is the most likely culprit...nobody has made it a priority.
16. What would help you sell more accessories?
Having a standard process, and pre loading accessories for customers to see on the actual 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?
Yes. Twice a week.
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?
Daily bin counts, daily order audits, dept out of stock report (randomly checked daily). This isn't communicated with the office.
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 they are. If a customer is ready, willing, and able to buy but we don't have the part.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
Not a problem. Our parts dept calls the customers...nobody else.
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?
Returns from wholesale. We have \$7574 total over 15 months.
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.)?
3&12. Phase in isn't as important because of the RIM program. It allows us to stock more aggressively than we would be able to without.
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?
10
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
Better communication with all departments.