

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)? **Zero training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **There is not currently a vision statement**
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? **Never manually tracked FTFR. Off the shelf fill rate is on the Parts DMS report**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **35% Internal 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? **All parts employees who are involved in sales can change pricing**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager, Parts employees and Service Manager can manipulate RO's Pricing**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Pricing for internal parts are retail. GM put this process in place. They are 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? **We are not we are at 40% reimbursement. We are in the process of requesting warranty rate reimbursement right now**
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? **Not currently. We do our best to close out RO's in a timely manner. This is sometimes chaotic**

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)? **Not reviewed with parts manager**
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? **Suggested Retail Price. GM checks this monthly with Parts Manager**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Audits are not conducted regularly. Twice a year we update coupons and hours of operation.**
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 online presence at this time**
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? **Dealerconnect and Star Parts training is available not mandatory. No current process to assess sales skills**
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 process to offer accessories to 100% of customers at this time.**
16. What would help you sell more accessories? **Sales Department involving parts in sales process**
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. Quarterly reviews are conducted on this matter**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes number is around \$2,000/ employee**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Yearly inventory is conducted. Give a copy of inventory results to controller**
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 all on the same page of what a lost sale is. A lost sale is a requested part we are not able to provide.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service department availability and communication with customer is sometimes lost.**
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? **Wholesale returns is the biggest source of obsolescence. Around \$250,000 is obsolescence**
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 just use ARO recommendations. We are 99.8 compliant with ARO. We don't really have a balancing system in place.**
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? **More room for storage!**