

## 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)? **The parts manager took NCM seminar 9 years ago.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **To value customer's wants and needs.**
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 done manually before. The current FTFR from our DMS is 88.95%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **46.9% comes from Inside.  
53.1% comes from 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? **Manager's log in is required to change any price.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only the parts and service managers.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, we are at list price. Internal parts pricing is current and set by the General Manager & Parts Manager.**
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?
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 with the controller, however at our weekly fixed ops meetings WIP report is reviewed and the reasons for non-closed RO's discussed and rectified.**
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 financial statement is reviewed monthly with the Parts manager at which time we go over the sales, gross, and expenses. DOC is provided daily from DMS for Parts manager to review.**

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 have List price as well as matrix that is set up by General Motors. The Parts manager will check every 6 months to verify pricing goals are achieved.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **The general manager reviews the Service and Parts Web page 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? **We do not but will investigate it.**
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? **Sales trainings are mandatory and available through Center of learning in GM Global to be completed every 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 process in place at this moment is to encourage customers to purchase accessories using "My GM Rewards" which is a certain amount of credit given when a new car is purchased.**
16. What would help you sell more accessories? **We are in the process of creating Accessory Brochures for each model that will be presented by a salesperson at time of sale.**
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, every month.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$20,428 per day with 5 counter personnel which amounts to \$4,085/person**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Bin checked weekly by parts clerks & reported to parts manager. Parts Value Report in our DMS is reconciled with managers physical report by the 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? **We switched to a new DMS ( Tekion) 6 months ago. Lost sales are not tracked. After talking to the parts manager and Countermen, I**

realized that they have a basic understanding of lost sales. Having them go through NADA “Lost Sale Quiz” they have a better understanding of the definition and lost sales will be tracked properly in the DMS.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Communication and Scheduling appointments with customers.**
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? **Emergency purchases that are not returnable to the dealer.**
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 strongly follow RIM guidelines for our Phase In strategy. On the 15<sup>th</sup> of each month GM sends Phase Out return report.**
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? **8**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Knowledge is the ultimate solution. My Parts Manager was so excited and receptive while we were going through the NADA Fixed Op material. I will be sending all managers to the NADA Academy seminar for training.**