

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)?
Went through some fixed ops training with DGDG and I have done NADA online.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
No specific statement, but we all know we need to take care of our customers as best as possible so we can have the best word of mouth and reputation out there.
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?
Have never tracked it. I was always told to track our "Demand filled from stock ratio" which in a sense is the same.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Inside 75%, outside 25%.
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 controls in my department.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts counterman and Manager only.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We came to an agreement at cost + 100% for parts and cost + 40% for tires.
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 at cost plus 88.48% for warranty. It was about 1 year ago that we were denied raising the rate and that was due to too much discounting, which has now been fixed.

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?
Parts Manager try to make sure that everything they can close out, gets closed out. On the last couple days of the month, they go over thoroughly all open invoices to see what we need to do to close them out.
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 managers' meetings and we go over the final numbers. We also have the MTD report that Tyler (Service Manager) puts together, which I also have access to the parts data for.
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?
Parts Manager had it set to a certain formula that they had for a while and Peter (owner) emailed me a formula that he wanted me to change it to from someone at another dealership(extremely high btw).
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 our Online store that is managed by an outside company whom advises us to do certain things for it. We usually touch base once a quarter.
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?
Everyone has access to it, but a huge percentage of it is handled by 1 person. However, we get notified if an order is outstanding past 3 days.
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?
NADA has training that I believe only 1 of my guys has done.
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?
There is supposed to be a process in place where sales dept shows customers via a tablet all our accessories. Also, we were supposed to have a process in place where they would bring the customer around to parts and have a little meet and greet with the new customers, at which point I was going to be handing out a discount card for all accessories.
16. What would help you sell more accessories?
Push Sales Department more

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, in fact they have cut off some customers lately.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
No, they don't currently know our "breakeven" numbers.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
We try to do perpetuals as often as possible to insure accuracy.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?
Our lost sales are not tracked because we have a separate system that tracks it. Our DMS can NOT control what needs to be ASR or not.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
I would say just getting service to keep calling the customers to come in.
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?
Incorrect ordering of parts and returns, whether due to our fault or customer/shops faults. \$66K
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.)?
ASR 2.0, Phase in after 3 sales in 12 months. Phase out starts to be watched on 10mns, at 11mns it gets put on the list to be phased out and on the 12th month, it is requested back.
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?
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25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
Full staff. We need a full time shipping & receiving person on top of the staff we have now so that the jobs of that position aren't having to be done by everyone else, which takes away from everyone doing their job and focusing on just that.