

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)? [NADA 427 – Certificate / NCM Parts Management I, II, & III / GM Parts Management Training](#)
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? [We do not currently have a Vision Statement, but we are in the process as a team of working on 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, I have never tracked this metric manually. Our current FTFR is 53.85%](#)
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? [67%](#)
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? [Sources are set up that require a password to change pricing.](#)
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? [Fixed Operation's Director, Parts Manager](#)
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? [Yes, Owner and GM implemented this process in 2020.](#)
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 in a State that allows for Retail. Our last parts increase was approved on June 20, 2023, at a rate of 95.60%](#)
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 as effectively and efficiently as we should. We are currently in the process of creating a process that will physical WIP inventory, monthly. This process will begin October 1st.](#)

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 DOC is open access daily, financial statements and composites are provided and reviewed at least monthly.](#)
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? [Pricing competitiveness is shopped quarterly. Pricing compliance and percentages are checked daily and reviewed weekly.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [The parts web page is provided via the manufacturer by SimplePart. The website and coupons are reviewed and updated quarterly, with some strategic static placements for SEO value.](#)
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? [Yes, we have an online Parts store. The leads are sent to a Parts Counter Person and the Parts Manager. The Parts Manager follows up on all leads to ensure timely responses.](#)

What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? [Quarterly training is provided by the manufacturer. Ongoing and progressive training is provided by the parts manager. We also have subscription NCM training that is utilized, Biyearly.](#)

14. 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, we do not have a current process in place and there is no good reason for that. We will implement one soon!](#)
15. What would help you sell more accessories? [Offering them!](#)
16. 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, all wholesale accounts are reviewed bimonthly.](#)
17. Do you know how much each of your Part's salespeople must sell each day just to breakeven? [No, but this is a metric we will begin tracking.](#)
18. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Weekly perpetual inventory, proper shelf placement. Variances are adjusted on a parts invoice, signed off by the GM and turned into accounting.](#)

19. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? [They are being tracked in our DMS correctly, now. After our visit to NADA we implemented the NADA Lost Sale Checklist.](#)
20. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Incorrect parts ordering or customer failure to return. This is not, currently, a large problem for our parts department.](#)
21. 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? [Special order parts would be the largest cause. Our current obsolescence dollar value is \\$14,517.37.](#)
22. 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, this strategy is balanced by reviewing phase in/out suggestions/recommendations prior to acceptance, daily.](#)
23. 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](#)
24. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Electronic fluid delivery system](#)