

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)? My parts manager has no formal training but has taken GM classes and other online training. I plan to have him watch the videos from this NADA training.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Brian (our parts manager) is a recent hire and he started at the end of August. He does not have a current vision statement but would like like to institute a vision regarding growth and change.
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? He has not done this manually but does this through CDK.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? Outside is 11% and inside is 89%.
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? We tend to match the price if it's within reason and above cost. We only have 2 parts counter people who sit relatively close to the manager so that is the control.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? Only parts people can override parts pricing.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? We are not at retail pricing for internal. The old parts manager set up the internal pricing. They are not current. We have decided to increase pricing to list price for now.
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 at retail for warranty. We applied and got a new rate about 6 months ago.

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. [The office manager is on top of this daily.](#) Do they verify that all parts invoices and repair orders are closed out in a timely manner? [Yes.](#) What does this look like? [It's constant harassment from the office manager - lol!](#)
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 office manager gives the managers the financial statements at least 4 times a month.](#)
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? [There is matrix pricing. It is average and we can be more aggressive.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Not often but working on it currently.](#)
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. We also cannot figure out where orders on our website go - actively working on that.](#)
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? [Currently, we have no formal sales training, but they have GM training which is mandatory.](#)
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? [Yes we do in sales - it is relatively effective. We also have trained our service BDC person and she is getting oriented on it.](#)
16. What would help you sell more accessories? [We could do a better display. We can offer a discount on accessories at the 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? [We don't have wholesale customers - only a handful.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [1100 to breakeven.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Currently, we do daily and weekly bin counts. Whenever we pull jobs for RO, they check it as they pull parts. We are also in process of cleaning up the parts department.](#)

20. Are lost sales being tracked in your DMS? Yes. Do you have a common definition that all counter people understand? Yes What is your definition? If we have an opportunity to sell a part but we cannot b/c not in stock, that is what we consider a lost sale.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Getting the people to return. We had our service BDC person call everyone again recently.
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? Our SOPS are our biggest issue. The dollar value of obsolescence is \$35,809.
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.)? Phase in is 2/6 which is RIM. Phase out is no sales in 15 months – also per RIM.
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 or 9
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? He feels like he has what he needs but again, he is still new and getting oriented.