

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)? **Yes, back in 2016. GM Fixed Operation Academy & GM Accessories Class**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, "Customer comes first"**
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 has tracked FTFR either manually or through or DMS**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **37% RO/Internal/Warranty. 63% CT & W/S**
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? **Any Sales Counter Person is allow to change the pricing . He doesn't know to run a deviation report.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Sale counter people.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, it is established by GM. Internal pricing policy was revised 5 years ago.**
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? **Yes, we are.**
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? **Yes, Parts/Service receives a daily report of open Repair Orders as well as Part open tickets report. These are being monitor by the Service Manager and Parts manager. Before the end of the month, a person from the Business Office makes sure that most of the invoices have been closed and if not, we investigate the why.**

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)? **A copy of the Financial Statement is given to the Parts Manager, he also receives and review a daily DOC.**
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 are always checking the competition, we run daily reports that show how we're doing, check daily invoices making sure they are marked up at least 25-45%**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **We do not have a Parts web page, just the general web page for the Dealership.**
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? **A couple of years ago we tried to have an estore; however, the ROI wasn't there. We also tried to sell through Amazons but it was very expensive due shipping and we were being responsible for any shipping damages. We stop since we did not see any financial benefits.**
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? **Yes, GM Training Online, as well as daily training after listening phone conversations with customers.**
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 sales person supposed to show the Parts and Accessories Department to each customer that they had just sold a car to. However, sometimes this is not done.**
16. What would help you sell more accessories? **More discounts and more advertising.**
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, it is done through a report we get through our DMS. This should be done at least every quarter; however, it is done once a year.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We do a yearly inventory. Variance are communicated verbally to the Business Office.**

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 do not track lost sales since we use RIM. A lost sales is when the customer doesn't want to wait and goes to another vendor to get the part.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Technicians not picking up parts. Customer forgetting about their order. Counter people not calling 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? **Returns, since per GM we need to keep them for a long time. Our obsolescence is not that high, maybe around 5K**
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.)? **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? **Seven or eight**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **More Advertising, Selling skills training, maybe hiring a consultant that can help us implement better processes.**