

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)?
On the Job/some through Toyota
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Yes, it is the dealers Vision Statement: Our Vision
 - **Be the largest, most successful Toyota franchise in Metro Detroit.**
 - **Always be the most pleasant experience of our guest's day.**
 - **Be the most gratifying employment opportunity to be found.**
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 – 90%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
80% inside 20% 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?
There is no access available to change pricing.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Service Manager, Parts Manager and Advisors with a coupon.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are at retail pricing for internal.
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 retail for warranty.

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. A lot of our process is digital which is very visual to each member in our team. For parts, specifically, the Parts Manager has a folder with invoices for parts that are reconciled and turned in as necessary.
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)?
It is given on a monthly basis.
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?
Our strategy is a minimum 30% profit margin. We are checking this weekly.
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 enough, considering our hours were very outdated.
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 have an online store. We receiving an inquiry as a lead into our CRM and our BDC Department forwards the leads to our Parts Manager and Service Manager.
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?
On the job training and/or through our Manufacturer. We haven't assessed skills, tested or refreshed formally.
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?
Salesman do talk about accessories but there is no formal process.
16. What would help you sell more accessories?
Better choices through the manufacturer and accessory books.
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, we review this yearly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
Our parts manager did not know how much they need to sell each day to break even.

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 physical inventory. With our Parts department not being very large, it is quick to do a physical inventory.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

Lost sales are being tracked in our DMS but not consistently or accurately. When we switched from Reynolds to Tekion, it became more cumbersome to track in Tekion. We are looking to find a process to track this accurately.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Getting in touch 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?

We have very minimal obsolescence, if any, on a consistent basis. We are lucky enough to have a manufacturer that has a liberal return policy.

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.)?

Our phase in strategy is 2 sales in 3 months. This is more aggressive than Toyota's recommendation.

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?

My Parts Manager says it is a 9.

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Having more help. In the mornings, it can get quite busy and it is difficult to keep up with the calls and the service department. We are working through perhaps cross training someone to help out part time.