

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)? **NCM Zoom parts training.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Currently does not have a Vision Statement but now currently working 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? **The first time we've tracked our FTFR manually was our post class homework. This is usually tracked by our DMS and our current FTFR is 76.9%. This number was much lower when tracked manually.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **83% RO/Internal/Warranty. 17% counter/wholesale.**
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? **Parts Manager runs exception/deviations reports daily and finds out reasons for exceptions.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts personal and service director are the only ones that are able to override or change pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, we are at retail for internal established by gm, parts and service manager.**
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 and we were just approved for retail + 85%.**

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 and service director follow up on work in process on a daily basis. The office holds everyone accountable with daily reporting.
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 and GM are now discussing the statement on a monthly basis after statement complete.**
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? **Toyota parts have set pricing. Non Toyotas are set at a 40% gross profit goal. Reviewed monthly.**
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 an outside agency that reviews and updates with parts manager monthly.**
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 currently do not have an online store.**
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? **Factory certification is done yearly. We are currently looking into additional training for parts personal as they have not had any formal training.**
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? **Our process fell off but Toyota has an aim program called AIM that we are now re-engaging in and have already set up training with a trainer.**
16. What would help you sell more accessories? **Holding the team accountable of presenting AIM/Accessories.**
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?

Wholes customer ROI is reviewed on a quarterly basis by parts manager. Returns are also reviewed monthly on a smaller level but discussed with GM quarterly.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? We did not know until we did the calculation in our NADA class with Mark and Brian. Calculations are being done on a monthly basis now.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Bin counts and Monthly reconciles are being done on a monthly basis in order to ensure accuracy and staff integrity.
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 and the definition is a demand for a part that cannot be filled at that moment.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Getting the customer back in for the special order is our biggest obstacle. We are trying to redefine our BDC follow up process on special order parts.
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? Special orders are our biggest cause of obsolescence. Our current dollar value is \$13,558.
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/phase out strategy is based off price escalations. Fast move parts vs. parts that are a one off. This is handled by one of our vendors that the parts manager meets with quarterly.
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? Parts managers level of understanding of DMS is a 6-7.
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Parts Manager is requesting more training and mentorship to help him do his job more effectively.