

Parts Manager Conversation *Rick Farbo Class 442*

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 Parts week and NADA seminar.*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *Yes, now we do. It is "Be able to provide every part, every time all of the time with ease".*
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, we have not tracked manually, Current repair order FTFR is 89%.*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *90% RO/internal/Warranty and 10% counter and 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? *They have access to make changes. Joe L parts manager has to watch and keep track.*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *Parts employees, advisors can use discounts (coupons) they can't actually modify the price just apply a coupon.*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *We are over retail for internal cost X 2.5. John Cuevas the Service platform Manager established store policies.*
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 over retail for reimbursement. Late last year we had it increased.*
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, These are due at 10 am on the first day of every month. Joe L makes sure invoices are in. He communicates with Tina Nelson in the office what is missing and 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)? *No, Joe does not get financial statements. He does have access to the daily doc in Dealertrack.*
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 is on a matrix and is over retail. The metrics get reviewed monthly with John Cuevas the service Platform Manager.*
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? *Sometimes, after class we made some updates to the website and our reviewing it regularly. We are also currently looking into three different vendors for online sales.*
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? *No, we did remap online submission form to email all the parts employees and Joe L.*
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? *Training is mandatory, once a year there is online modules with Toyota that need to be completed yearly. We just added Bi weekly training to cover one topic per meeting.*
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? *No not currently. We are in discussions to implement AIM and a specific process to handle it.*
16. What would help you sell more accessories? *Offering the accessories 100% of the time. Selecting a few models for showroom to load up with accessories to demonstrate them. Getting software like AIM and implementing a process and providing training on the tool.*
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? *Joe L reviews W/S accounts on a monthly basis. Moving forward I am going to participate in reviewing the accounts with him.*
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *Roughly \$2200 per employee*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *Bin counts monthly. We attach a GL note in dealertrack so accounting can pick up the note and run with it to make necessary adjustments.*

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? *Yes, Is there demand and was it recorded. Provided questionnaire and answers to parts employees so they understand what a lost sale is and why it is important to track. In last week's training we used the battery phase in and phase out slide you showed us to demonstrate the importance of tracking lost sales.*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *Notifying unpunctual customers is the biggest obstacle for us.*
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? *\$33000.00 in obso and \$30000.00 never sold. Biggest cause was inherited inventory unable to return.*
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.)? *3/12 Phase in. Phase out doesn't sell for 9 months we phase out.*
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? *9*
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? *Please with the support provided. Joe L was very happy to attend NADA parts week.*