

## 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)? Some Toyota Parts training, lots of OTJT.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? Customer Comes first, yes everyone knows.
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? Yes, toyota 10 years ago had them doing it every day. It is currently 92.50%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? 40% 60%
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? Only people that can deviate from those privileges. Is Bob and Larry, Managers, and Assistant Managers.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? All parts personal
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? We are at internal for retail, We have been at internal for retail for the last 20 years.
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 petitioned about 3 years 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. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? Larry Ass parts manager, Service manager, and Assistant Service Manager, Recon Manager, and Warranty Clerk.

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)? Yes it is discussed on a monthly basis, yes it is provided.
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? Monthly.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? Look once a month.
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? Yes, there is a front counter person that is directly responsible for that department.
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 training is when hired and as needed.
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 use the Toyota AIM product.
16. What would help you sell more accessories? New facility that is being built with more space, and actual retail space.
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, Review them monthly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? He didn't know, he wants them to sell 13k a piece.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Asbury has processes and the inventory reconciliation report is used.
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 they are tracked on every transaction.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? Getting the customer back and back with service.
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 Little to none obsolescence.

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.)? We used the factory guide then adjust internal as we go. Look at forecast of used and seasonal trends.
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? Finish the new facility as we have no retail parking or space for wholesale or retail.