

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)? **Every year, you must certify with UOT (University of Toyota) in the parts module.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We are creating it specifically for the parts department. The one we have is company-wide and general.**
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? **We don't monitor it manually. We will start doing it weekly from now on.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Inside 70% vs outside 30%.**
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? **We have privilege control in the DMS based on employee classification.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts manager and controller.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **No, the parts internal price policy is cost plus 20%. Yes, they are valid.**
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? **N/A**
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? **Every month the parts and service manager meet with the comptroller to review the carryover and work in progress.**

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)? **The parts manager's report is on a monthly basis, so that report already compares the month with the previous year's.**
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? **The structure is designed in parts metrics. And our goal is 40%. We will start monitoring it monthly.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **It's a project we are currently working on.**
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? **It's a project we are currently working on.**
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? **Every year, certification in UOT is mandatory.**
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? **We have it for new cars through the sales department. With each sale, the salesperson shows the accessories to the customers.**
16. What would help you sell more accessories? **We are marketing one accessory special per month on our social media channels.**
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? **No, because our wholesale customers come to the dealership to pick up their parts.**
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? **Performing spots checks by area every two weeks and communicating to the comptroller.**
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, but we need to improve. We have a definition which we are reviewing. The definition is that we don't have the part.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Our SOPs are quite good. We need to keep improving the speed of the call.**
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? **The main cause is the utilization of the return system. The current obsolescence is \$37,540 (23%).**
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.)? **For Phase in parts we use the demand of 3 in 12. For Phase out parts the parameters are 0 sales in 12 months.**
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? **7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Trainings, sharing best practices with other dealerships and staff.**