

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)? **University of Toyota. To be a Master Certified Parts Manager.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **To provide outstanding customer service and develop relationships with customers.**
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. The current Repair Order FTFR is 83.1%.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **79% vs 21%**
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? **The DMS helps out to run reports weekly to watch and control the counter parts guys from changing the prices of parts.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Parts Assistant Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. The Service Director. Yes.**
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? **Our last warranty rate increase evaluation was in Jan/Feb this year. We did get a labor rate increase. But did not get parts increase. We currently at 68% for warranty. Retail is 68-71% currently.**
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 and yes. They watch the WIP report.**

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. Yes (Parts Financial Analysis).**
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? **They want to be in the 40% profit margin for retail to be competitive to other dealers. Monthly check.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly. 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? **Yes. We have it emailed to managers and counter guys.**
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? **University of Toyota. Yes, training is mandatory. They get refreshed monthly.**
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. The sales department walks them through our parts department and then introduced to parts department.**
16. What would help you sell more accessories? **Encourage manufacturer supply. Get with the sales department to accessorize new cars.**
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. Monthly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **\$1,500 net of sales**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Perpetual IBINS. Through monthly recap excel sheet.**
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. Yes. If I can't sell to the customer right then and there, it's a lost sale.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customers back in**

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? Our \$8.00 dollar rule from Toyota. \$18,047.86
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.)? 4 sales/hits in 9 months. Toyota's strategy is 3 hits in 9 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? 8/10
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? More man power