

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)

Wayne attended CDK/ADP training around 10 years ago on reporting. Inventory screen, creating and scheduling custom reports and the MGR report were focused on. Wayne has also done 7 or 8 Toyota trainings for wholesale and retail sales. He was part of a parts and service group that met once a month at the Boston region. This group went to Toyota headquarters in Plano, TX but due to covid the group ended.

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

No

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?

Wayne has not tracked fill rate manually. As of May 17th, 2024 FTFR is at 97%

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

Around 80 percent internal sales

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?

Counter people are allowed to offer 10% military or senior discount. Any type of override are reported in the fast lane under audits. As long as the counter person can explain the reason for the discount it can be resolved. Wayne does not want to lose any sales w/ rules not allowing a discount.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

Only parts personnel can adjust pricing. If Wayne is not available to approve a pricing issue the writer will make a copy of the RO to be reviewed at a later time.

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

Internal is 10% over cost and it was in place before Wayne started.

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 paid list price price for warranty work from Toyota. He is going to find out if we can petition for a retail price reimbursement.

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?

Generally the managers will only come together at month end but even then only if there is an issue.

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)?

Wayne does not receive a daily sales report. He does check the gross profit number daily though.

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?

Retail pricing is matrix based. Currently we are running about 4 to 5% below where we should be. Wayne is going to adjust the matrix. The gross profit report shows the percentages.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Not often enough. We are going to work together to make sure this gets changed.

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 do not have a online parts store. Wayne will contact Toyota to see what can be done about this. General inquires come into the CRM and get brought down to out attention. You can also email myself as well as the counter people individually and that is monitored daily.

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?

Toyota offers online training and has finally brought back in person training. It is not mandatory however you do have to be certified. Skills are rarely assessed or tested.

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 dont have a process in play right now. Salespeople use a online accessory tool at the time of sale called "AIM"

16. What would help you sell more accessories?

Offer accessories to all service and sales customers. Really have a plan to track it as well.

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?

Currently we are not receiving many returns at all but it is always a concern when I see some. They are reviewed but not as often as they should be.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Bin checks are done and adjustments are made as needed. They are not communicated with accounting unless there are large variances.

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 tracked by xtime and manually entered into CDK. This started in May and should result in much better tracking.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

No large obstacles. As long as services gets informed the part has arrived the people will come 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?

Parts being ordered incorrectly or being returned because they were not needed. Currently sitting at close to \$5,000 over 12 months no sale. 1.87 of cost.

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.)?

Parts prompt to stock w/ 2 sales in 6 months. Wayne decides weather or not to bring the part in based on several factors. Parts go to auto phase out at 6 months and will be returned after 9-12 months per Toyota guidelines. Toyota recommends 30 days supply or 2 sales in 12 for mechanical/ shop parts.

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 out of 10 on the monthly reporting

25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?

Training. Wayne believes all types of training can be beneficial for himself and his team. Anything to make things more efficient is helpful.