

Parts Manager Conversation. **Mitch James N445**

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 factory training for the last 20 years**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not.**
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 do not track FTFR manually.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90/10**
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? **All counter personnel have full access to override while it happens 10% or less on total daily transactions.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts personnel only, not Service.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes with Upper mgmt. helped establish pricing with no written 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 a Retail reimbursement for warranty state.**
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? **WIP is hardly ever discussed but invoices and RO's are closed daily.**
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)? [Financial statement is given to Parts/Service Manager monthly with little to none in discussion with principal.](#)

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? [Matrix for customer pay; retail /wholesale pay MSRP; daily feedback from counter sales personnel](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Web page audited monthly while the hours of business are checked monthly as well. Coupons change 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? [No online estore. Any parts orders/queries are walked over to parts from the BDC. No measures in place to monitor response times from there. Leads are given to parts personnel.](#)
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 provided by the factory mainly with online modules these days or online Instructor lead classes. Every person in parts must complete Toyota certification requirements each year.](#)
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? [There is no definitive process in place for accessories sales.](#)
16. What would help you sell more accessories? [Cooperation from the sales team to offer accessories at time of new or used car sales.](#)
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? [We do not have a ton of wholesale customers but if they do not pay in a timely manner, they are cut off.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Currently, no. Parts manager found this to be interesting though and wanted to know more. I will follow up with this with what I learned in class to help provide this information to him.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [Perpetual bin checks; physical inventories to check quantity on hand; any variances are discussed with controller by email at the end of every month](#)

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. A lost sale occurs every time there is a real demand for a part and the part is not available right then.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Correct process is in place to notify customers but getting customers back in the store for install is biggest hurdle. Most SOP's are prepaid.**
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? **SOP'S NOT BEING PICKED UP. Current value is \$4,400 in 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.)? **Phase in – 3 demands in 12 month period; phase out – 0 demands in 6 months. Factory recommendations or any phase in recommendations must be manually chosen by parts personnel for replenishment. Nothing occurs automatically unless someone made the choice to do so.**
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? **Going all digital vs using paper possibly**