

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)? **SET Toyota University Parts College Graduate and Nada Parts 20 Group.**
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? **YES 88%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **91.6% Outside and 9.4 % Inside**
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? **There are price levels set up, but they do have the ability to override price. They all know what they can override and not override.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **The Service Director can change pricing, but the Advisor's cannot. We do not have cashier.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Parts Manager**
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?
Yes, we are the only SET dealer that gets more than Retail 1.854% mark up on warranty parts. We submit annually.
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, Yes, Month end reconciliation.
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 parts manager does look at it with his 20 Group. Monthly with GM.**

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? **Pricing Matrix- aggressive**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Not very often**
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, because it ended up being a race to the bottom. **Also on job's being done in the shop customers were looking online and obtaining a discount, then turning around and asking service advisor why the quote was higher.**
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 University Annually and as often as classes are available.**
15. Do you have a process for offering accessories to 100% of your New and Used customers? If so, what does it look like? If not, why not? **Yes, we have a full-time Accessory Salesperson who presents our accessories using AOA software to each customer who purchases a vehicle.**
16. What would help you sell more accessories? **Awareness**
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? **Not often, we don't strive for the wholesale business.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes by using what my Parts manager learns from his NADA 20 Group.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Perpetual counts combined with monthly reconciliation and then an annual third-party Physical inventory.**
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, and Yes, we track where every one is when it comes to the lost sales they post. The definition for lost sales is if the part was requested or quoted it and we don't have it then it counts.**

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **We don't really have a many parts left on the special order shelf for a long period of time. Toyota allows us to return any part over \$8.01.**
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? **NON-Toyota parts and parts under \$8.01.**
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 is 3 sales with in 12 month. Phase out is no sales in the last 6 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? **10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **There is nothing I can think of, fully equipped and able to succeed.**