

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)?- **Toyota Accelerate program, parts inventory training**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? - **Yes, "To provide everyday customers and enthusiasts with the parts, accessories, and knowledge that they expect."**
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. 93%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? - **80% from internal sources.**
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? - **Deviation reports are ran as part of daily #'s and The advisors must get approval from manager before discount is used.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? - **Parts personnel only.**
7. Are you at Retail pricing for Internal? Who established your internal parts pricing policies? Are they current? - **Yes, Parts Manager, 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? - **Yes we are at Retail for Warranty.**
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? - **Mid-month and end of month reports are generated with explanations on any open RO or Invoice.**
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 the financial statement is given but there is no meetings on the statement. Yes DOC is shared to all department mangers daily.**

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 pricing on all retail parts where lower dollar parts are matrixed higher. Monthly inspections are done to the matrix to maximize profit.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? – **Once a month for all**
13. Do you have a Parts online E-Store? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? - **No, Yes, All parts staff**
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 provides training to all staff that is monitored and refreshed every year. And is part of our policy.**
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 "AIM" website is utilized as well as having a accessory manager to reach out to more customers with correct information.**
16. What would help you sell more accessories? – **Service advisor training and Spiff program.**
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 Quarterly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, but it need to be communicated to the employees.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? – **Quarterly perpetual inventory are condoned with a variance report turned in to the comptroller with explanations on variance and yearly inventories are done.**
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, Training is being implemented currently. A customer leaves without ever buying the part they wanted.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Customers not returning for the work. Due to lack of communication once the part is received. And no pre-payment so no need to rush in to get the parts.**

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? – **AAP Accessories (non-returnable after 30 days) \$18484.75 3% OF INVENTORY**
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.)? –**OUR PHASE IN IS 2/9 AND 3/12 WHILE THE PHASE OUT IS 1/9. We do not have a factory stocking guide.**
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? **8.5 – well rounded understanding of information but could use better insight on how to effectively use the information.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? – **Clear goals and targets from the owner and GM, guidance on NADA metrics and guide.**