

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)? **Currently he has zero formal training but is enrolled in the upcoming January 27 seminar in Orlando**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No, we have never seen that nor do we have one in any of our departments which can cause confusion and distraction. I aim to change this in the upcoming quarter**
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? **aside from the work we did together on that assignment we didn't know that was something people did.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **He believes that around 80% of our business is 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? **we don't have a policy but we just don't change prices. We have discount codes that display directly on the RO and he doesn't feel as though it is a problem because everyone asks him before they would ever do that.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts director, Henry a specific counter personnel and the Fixed Ops director cashiers and service advisors do not have the capability**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **retail pricing for internal is in effect and I initiated that about two years ago.**
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? **warranty is list**
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. **The fixed ops director and**

the controller do. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like?

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)? He receives the DOC but does not look at the financial statements
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? strategy is to go by the NCM pricing strategy, never check on the goals
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? coupons are done monthly. marketing department does the other housekeeping
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 don't have an e-store but the lead inquiries are sent to all of the parts personnel and quickly responded to
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? GST trainings and Toyota e-modules. everyone is certified it is mandatory
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? not at all. If someone was interested in accessorizing their vehicle but don't know what is offered they are directed to the Toyota.com accessories and they select what they want and we order the part.
16. What would help you sell more accessories? Limit LIO installations create parts content
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 don't have a huge wholesale base of customers but this is done monthly. he adjusted the prices when he took over
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? we calculated it together for the first time and our salespeople are well over their breakeven requirements
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? perpetual inventory checks- yearly inventory audit-

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **no they are not being logged. the parts manager has a good understanding of lost sales but it is not currently being logged**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **advisors**
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? **customers not picking up parts either paid for or not**
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.)? **3 in 6, knowing what the part is and the overall demand of it (elasticity) common sense and experience**
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? **he had never seen that reconciliation report but he knows what the information on it is**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **We have a great facility and parts personnel currently and I have faith that our parts manager will do excellent in this position with some formal training. He has 19 year of experience and almost two as manager. he has inherited his obsolescence and has made the great strides to keep it controlled and the department profitable without training so once he has that seminar under his belt i think we will be cooking with gas**