

## 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)?  
**40 years with Toyota, quarterly Toyota classes and additional certifications throughout, Dealer/GM coursework**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**MCH- all dealership purpose statement**
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, once a year, 90%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**60% Internal, 40% External**
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?  
**Reviews exception report, really only cares about people selling below cost**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Counter men, Service Managers**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
**No, General Manager (Used to be UC director) determines internal parts pricing**

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?

At Retail

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?

Looks at open counter tickets at EOM for closeout. Allows Service to handle all other WIP

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, Yes

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, 10% above suggested retail

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

Digital marketing handles, looks at it quarterly

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, wary of potential credit card fraud. Has no idea who responds the queries

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 training only, required

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?

Internal manager makes accessory decisions, minimal selling accessories not already on the vehicle

16. What would help you sell more accessories?

Being able to sell them after sale is made, before finance. Better displays on showroom

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?  
Reviews who has not purchased, who has increased purchases, who is returning a lot, and new accounts every Wednesday
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
No
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?  
Count 3-5 bins a month, increase bin counts before Main Inventory Count in October
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
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?  
Advisors not following up with customers
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?  
Advisors not following up on SOP
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.)?  
2 in 8, start phase out after 9 months of no sale
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?

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

Really blessed to be on this team that gives him as much autonomy as he has