

## 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)? **Parts Manager has attended NADA Academy / Toyota Certified Parts Master**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Customer Satisfaction / FTFR**
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? **He has tracked FTFR but didn't save the data**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **95% / 5% We do very little wholesale/counter business**
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? **Counter people are prohibited from changing price, if price adjustment is required, it must have parts manager approval.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Service Manager / Parts Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are not at retail on internal. Owner set price % for internal.**
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 at retail for warranty reimbursement.**
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? **The CFO and Parts Manager reconcile every month.**
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)? **Parts manager has access to the FS and its reviewed monthly with CFO**

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? **Retail pricing is on a matrix system and set by the CFO, Monthly**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **No active parts web page.**
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**
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? **Parts personnel are required to complete on-line web modules and instructor led parts classes. Parts manager test their skills and monitors their progress. Time frame varies.**
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? **We stock few accessories because most are available next day.**
16. What would help you sell more accessories? **Display, advertisement, sales presentations, preload vehicles for display.**
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? **No, we only do a very small amount of wholesale business. Almost no returns**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, calculated on the breakeven report (FS template)**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Annual inventory, perpetual inventory multiple time a year. CFO and Parts Manager reconcile.**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Somewhat, Parts Manager tracks lost sales manually.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Having the service advisors get in touch with the customers to have parts installed. Sometimes it's the advisor / sometimes it's the customer.**
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? **We have little to No obsolescence, we are able to return on a monthly basis(Toyota)**

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 6 months = stock part / No sales in 6 months = non stock // experience / knowledge / tracking**
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? **To have the ability to charge list price on internal sales.**