

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)?
Training from ADP, CDK, Previous Management, Toyota
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
OEM Parts at a fair price from a friendly & knowledgeable staff
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?
There is a form at the back counter, & parts personnel hand write parts that we did not have in stock.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
Inside = 40% Outside = 60%
4. 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?
Managers are allowed to authorize price changes
5. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts Managers
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
Currently Retail 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?
Retail Pricing
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?
Weekly/Current
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)?
MIS printed/reviewed 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?

Retail pricing is on a matrix, which is expected to be over 33% and is tracked on MIS daily

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

Monthly

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?

The parts leads are responded to as soon as they come in during parts hours

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?

Training is available through University of Toyota, & annual certification is a requirement

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?

New Owners receive a complimentary 20% discount coupon voucher w/sales TY letter

16. What would help you sell more accessories?

Preload on vehicles, Product Knowledge

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?

Wholesale Accounts are reviewed on a quarterly basis, incl. return %

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

Perpetual inventory, annual 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, all lost sales are tracked, & all parts personnel understand the process

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?

Contacting customers when their contact info is inaccurate

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?

Parts under \$8 are not returnable to manufacturer 10,994 (2.53%)

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 = 3 or more hits

Toyota Return guidelines: Customer order = return within 3 months Stock order = return between 9-12 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?

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

Hire more staff to keep up with growth