

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)?
NADA Academy 20 years ago in Texas. Parts and Service
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No Vision 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? **"Its been several years since I tracked it"**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Not Sure**
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? **Retail Counter Associates have the ability to override pricing structure**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Retail Counter and Service Director are the only two that can change pricing**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes Retail for Internal and Yes Current**
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 Retail for Warranty. Last petition 2 years ago**
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? **Yes-Monthly a reconciliation report is generated by both the Office and Parts Manager and they compare findings**
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. Parts Manager gets pages 3,8,9 of the Financial Statement.**

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 goals are checked monthly**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Parts Page is monitored each month at the beginning**
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 E-Store. All Leads are routed from the BDC to the Parts Manager**
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 Certification requirements are necessary to work at dealership**
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? **No Process as of yet. As of this conversation we will discuss a strategy to Spiff or Commission Sales People to sell Accessories**
16. What would help you sell more accessories? **Pre Accessorizing vehicles on the showroom. Incentivizing the Sales People**
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 Wholesale Accounts. Only 2 Charge Accounts**
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? **A ticket is created monthly and all variances are calculated. Also there is a monthly reconciliation report generated by the Parts Manager and Office Manager**
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 tracked sales are tracked mandatorily**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting the customer to show up. No matter if the part is pre paid the customer doesn't always come back to get the part in a timely order.**

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? **\$343 is value of Obso**
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 hits in 9 months is looked at. 3 hits in 9 months is on the shelf depending on cost and size**
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? **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Allow for a Parts Assistant Manager**