

## 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)? **None other than Toyota classes, seminars and webinars.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, People of passion and integrity providing value to our customer, our community and ourselves.**
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? **90%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **90% inside 10% outside**
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? **None**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Personnel**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes we are at retail pricing, the Owner and yes we are 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**
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**
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)? **No and No**

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? **We really don't have a strategy and we don't check it**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Once a month**
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, but we are working on getting one**
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? **We have monthly tests and tests for certification and its 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? **No**
16. What would help you sell more accessories? **Spiffs for salespeople, an online parts store and a better variety of parts for our boutique**
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? **Yes, usually monthly**
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? **Weekly Bin Checks**
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 and I don't know**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Contacting 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? **10,613**
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.)? **I don't have One**

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? 8

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



## PARTS HOMEWORK – ACTION PLAN

**S** Specific
**M** Measurable
**A** Achievable
**R** Relevant
**T** Time bound

What is your goal? What do you want to achieve? From what metric? To what metric? By what date?  
 Example: *"I will decrease my 5K run time from 30 minutes to 21 minutes by June 15."*

**S M T**

I will get my Parts personnel more training to help them become more knowledgeable and have a better understanding by the end of the year.

How does this goal align with or support your dealer's vision?  
 What are the BENEFITS of achieving your goal? What are the CONSEQUENCES if you don't?  
 Why is this goal important to you?

**R**

I have spoken to my Owner and he agrees we should get them more training and help them to become more knowledgeable in the parts world.  
 The benefits will be huge for our dealership. We will be able to track things better like our FTFR, Obsolescence etc, and get a better understanding of what we need to do to sell more parts.  
 If we dont get our parts personnel better trained we could leave thousands of dollars on the table. For a small store like us thats huge.  
 This goal is important to me because it would make the dealership more profitable and help us take better care of our customers.



## PARTS HOMEWORK – ACTION PLAN

How will you track your progress? Where will you find the information? How often will you check in?



I will track my progress through my DMS, Toyota Certified Systems, NADA class, and increase in parts sales. I will check it weekly with meetings and studying the reports in those meetings.

Potential Obstacles?



SCHEDULES  
PERSONNEL  
FUNDS  
MARKET CONDITIONS  
INVENTORY

Potential Solutions?



Work around schedules and make meetings, certification and training mandatory.  
Watch the market and use other resources to get parts.  
Charge training to advertising.

**BOTTOM LINE!** What is the financial impact (expressed in dollars) of achieving your goal?



We could earn 10-20k more in profit for parts department

**CONGRATULATIONS!** You've accomplished your goal! You added or adjusted policies, procedures, and behaviors. Now what? How will you ensure you and your staff do not fall back into the previous habits that produced poor results? Be specific.



I will have mandatory weekly meetings and track reports from DMS monthly.