

## 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 fixed opts training and Toyota parts class**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?  
**No we don't**
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?  
**No he has not**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?  
**Around 40% is internal**
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?  
**They currently hav zero restrictions**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
**Everyone can at the moment**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?  
**Yes, we are full priced at retail for all internals and the parts manager and the General manager are responsible for the 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?  
**Yes, we are 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?  
**No they do not close WIP in a timely manner and it creates a mess.**

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, the parts manager does not get a financial statement but he does pull a report 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?  
**Starts selling at retail pricing and adjusts accordingly to sell the parts**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?  
**We don't audit our parts page atm and the rest is reviewed 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?  
**We do not have one yet but we have been working on putting something together.**
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 online and in person training and no it is not 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?  
**Our process is less than perfect. Once a vehicle has been sold our salesman walks the customer over to parts and service to do an introduction and at that time our parts counter is supposed to ask the customer if they want any accessories.**
16. What would help you sell more accessories?  
**More stock and better visibility.**
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, we do. They are reviewed weekly.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?  
**Not at this moment. No.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

We have a designated persons that do a perpetual inventory check on a daily basis and for some reason they do not communicate it to the office.

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

They are but not correctly. We placed a lost sales reference chart on every parts department employees desk.

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

Service being too slow.

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?

Chrysler return policy is the biggest problem we have and our obsolescence is about \$25,000

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.)?

(3/12) pure factory recommendations.

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?

5 before nada parts class and a 10 after class

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

Needs more space and technicians.