

## 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.**

What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)?

EXTENSIVE TRAINING IN PARTS FOR OVER 20 YEARS THIS INCLUDES CLASSES WHOLESAL PARTS,MANAGING PARTS DEPT WORKING TOGETHER PERFORMANCE, PARTS INVENTORY MANAGEMENT BASICS, ADVANCED PHONE SKILLS FOR PARTS PROFESSIONALS, LEADING TEAM BEST PRACTICES

Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

YES:DARCARS-UNCOMMON PEOPLE WORKING TOGETHER TO PERFORM COMMON TASKS IN AN EXTRAORDINARY MANNER TO ENSURE THE COMPLETE SATISFACTION OF OURSELVES, OUR CUSTOMERS AND OUR COMMUNITY.

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?

YES 90.76%

What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

INSIDE IS CURRENTLY 40%  
OUTSIDE IS CURRENTLY 60%

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?

THERE IS AN EXEMPTION REPORT TO SEE IF ANYONE IS CHANGING PRICING. THEY DO HAVE ACCESS TO CHANGE PRICING EXPECIALLY FOR BODY SHOP INSURANCE CLAIMS

Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?  
PARTS PERSONAL ONLY, SERVICE AND BODY SHOP DO NOT HAVE ACCESS.

Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

DARCARS HAS A BUILT IN AND ESTABLISHED POLICY THAT INTERNAL IS SET AT 50%. THEY ARE CURRENT AND ACTIVE.

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

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 WE DO, WE HAVE A PARTS RECONCILLATION EVERY MONTH

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, THE PARTS DIRECTOR HAS DAILY ACCESS TO THE DOC TO MONITOR AND REVIEW.

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 HAVE GROSS SET UP AT 42% AND IT IS CHECKED DAILY.

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

DARCARS WEB PAGES IS MONITORED BY CORPORATE OFFICE WEEKLY AND MONTHLY FOR ALL 4 OF OUR TOYOTA STORES. IT IS UPDATED MONTHLY FOR PARTS AND OTHER SPECIALS.

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?

YES, WE SELL ONLINE THROUGH TOYOTAS SIMPLE PORT PLATFORM, WE SELL ABOUT \$8,000 PER MONTH. THE QUESTIONS GO DIRECTLY TO THE PARTS COUNTER.

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 THRU TOYOTA AND IS MANDATORY FOR CERTIFICATION. IT IS ASSESSED YEARLY.

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?

CURRENTLY WE DO NOT HAVE A PROCESS TO SELL ACCESSORIES. WE ARE VERY LIMITED ON SPACE AND ONLY OFFER WHAT IS AVAILABLE ON LINE. WE DO NOT HAVE IT SET UP IN THE SHOWROOM.

What would help you sell more accessories?

WE WOULD NEED MORE SPACE TO SHOW WHAT IS OFFERED IN THE SHOWROOM. OFFERING A SPIFF FOR THE TEAM TO SELL MORE ACCESSORIES.

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 REVIEW EACH CATEGORY AND REVIEW IT QUARTLY, ADJUSTMENTS ARE MADE QUARTLY AS NEEDED.

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

NO, EVERYONE PITCHES IN AND EVERYONE IS PAID OFF THE TOTAL AMOUNT. THEY WORK WELL TOGETHER TO ACHIEVE AS MUCH GROSS AS THEY CAN.

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

WE DO A PARTS RECONCILLATION EVERY MONTH

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

YES IT IS TRACKED IN THE DMS, ANY ITEM THAT COULD HAVE BEEN SOLD IF THE ITEM WAS IN STOCK.

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

HAVING THE SERVICE ADVISORS GET BACK IN TOUCH WITH THE CUSTOMER WHO ORDERED THE PART.

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 DO NOT HAVE ANY OBSOLESCENCE, TOYOTA PICKS IT UP ONCE A MONTH.

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 IS BASED 3 DEMANDS OR SALES WITHIN 12 MONTHS, PHASE OUT IS BASED ON 10 MONTHS TO BE PHASED OUT.

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

MORE MONEY AND OR LESS HOURS