

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)? **Randy Baughmen and Toyota training school.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **"Sell Parts, Make Money"**
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? **Never tracked manually. 62% FTFR**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **75 % inside, 25% 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? **Counter people can discount price but not structure or override.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **No one can override parts pricing.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Internal cost plus \$50. Owner established pricing policies and Yes they 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 we are, Toyota MSRP. Owner does all petitioning.**
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? **We do not all done on our won. Pending parts ticket list we run and clean our own list.**
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 it is given and access to the DOC.**

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? **Strategy – pricing matrix making most money possible with the least push back. Mystery shop 3 times a year other dealers.**
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? **Respond every time every day. Parts manager gets the notification.**
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 Toyota. Yes one class a year. Skills are not tested ever.**
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? **Yes we do, done? NO. Sales process is not good.**
16. What would help you sell more accessories? **Ipad and Technology.**
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? **Everyday, look at the tracker and look at all the tickets.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes. Amount?**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Accounting does random audits monthly 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, not at all. We don't have the part its a lost sale.**
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? **Service appointments.**
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? **\$32k in OBSO, \$20k in 9month. OBSOLE is the biggest cause of frozen capital.**
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 - 2 MONTHS OUT**

OF THE LSAT 12 MONTHS WITH TOTAL DEMAND OF 3 PIECES OR HAVE BEEN IN INVENTORY FOR 12 MONTHS WITH AN AVERAGE DEAMND OF .25 PIECES PER MONTH.

PHASE OUT - HAVE NO DEAMAND FOR 6 MONTHS OR HAVE BEEN IN INVENTORY FOR 6 MONTHS WITH AN AVERAGE DEMAND OF 1 PIECE IN 6 MONTHS
IF NOT PHASED IN, NBOT-STOCK PARTS WILL PHASE OUT AFTER 6 MONTHS
NORMAL STOCK PARTS WITH A HIGH MODEL YAER OF OR GREATER WILL NOT BE PHASED OUT.

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? [10](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [More Help.](#)