

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)?
Toyota Motor Company's dealer education & certification program, our parts manager is master certified.
We had discussion for our parts manager to attend NADA parts training class in the future.
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Yes, have the right part sold the first time when inquired.
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?
Yes, our First Time Fill Rate is around 75%.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
40% of our business comes from inside and 60% of our business comes from 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 at this time, but after we collaborated, we are working on setting up policies, controls, and security.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts counter person and parts manager.
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are at Retail pricing for internal. Parts manager established internal parts pricing policies, and 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?
We are at retail for warranty, we petitioned the OE for retail reimbursement 30 days 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?
Not directly, and it needs improvement. Parts manager do verify all parts invoices and repair orders are closed out in a timely manner.

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 financial statement is not discussed till today. There is a daily operating report (MIS Report) provided to parts manager for review.
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?
The pricing strategy is currently set at 1.67, our parts manager checks once a week to ensure pricing goals are achieved.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
Our parts manager reviews dealership's parts web page once a month. Coupons, hours of business and other specials are also reviewed once 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?
We do have parts online eStore. To ensure the parts order forms/queries are responded, our parts manager and one experienced parts counter person will be responsible for handling leads.
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 use Toyota Motor Company's dealer education & certification program as training tool, it's mandatory, and 92% of our parts employees are master certified. Skills are assessed, tested and refreshed monthly.
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?
We currently do not have a process to offer accessories to 100% of our guests. It's now discussed. We are currently working on this opportunity.
16. What would help you sell more accessories?
Accessorize new car or new truck, put them in the showroom, right in front of our boutique shop.
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, our parts manager reviews quarterly.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
Yes.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
Run bin sheet once a week, at the same time check and conduct inventory audit with staff, variances are communicated by write off sheet.
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, lost sales are tracked in our DMS. Our parts manager's answer was "lost sales". We went over NADA workbook page 71 and went over our parts employee's answer on lost sales quiz. We are working to train and make staff understand it's through eyes of the DMS.

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

Back order on part.

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?

The biggest cause of frozen capital and obsolescence are Special Order, wholesale return. The current obsolescence dollar value is \$13,281.

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 for phase in. 2/12 for phase out. We follow this strategy since it's our factory's recommended guideline.

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?

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

Hire additional driver and wholesale staff, add one more delivery truck.