

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)?
 - ADP CDK training in Clackamas Oregon
 - No formal training
 - 13 years apprenticeship
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - No vision statement for parts department
 - Dealership statement: Connecting our family yours through every mile and every smile
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
 - 96%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 56.7% inside
 - 43.3% 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?
 - No controls
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - Only Parts employees
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - Yes
 - Peter - GM
 - Yes
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
 - Toyota is the best
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
 - Service or assistant service manager looks at it on a monthly report
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)?
- Partial parts of the statement
 - We have a weekly meeting of Gross profit etc
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?
- Accessories MSRP
 - Fast moving maintenance price are line priced at market value
 - General replacement parts are priced with a price break escalator (matrix)
 - Monthly check
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
- Monthly
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 did but do not now
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 University
 - Yes
 - Yearly but not in person
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 – A deal cannot be turned in without decline or acceptance
16. What would help you sell more accessories?
- Pre-loaded vehicle in showroom
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?
- Weekly
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?
- Manual adjustments made daily
 - Review for discrepancy
 - Annual inventory adjustments
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
 - Request for the part and we do not have it in stock

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
 - **Communication from the ASM to the customer**
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?
 - Aftermarket accessories obsolescence unreturnable to supplier
 - 32000
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 in 10**
 - **We get TIP report that sends quarterly and its recommendations of parts**
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?
 - **9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
 - **Continued to promote and environment that facilitates longevity in employees**