

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)? **INVENTORY MANAGEMENT I & INVENTORY MANAGEMENT II by Mike Nicholes. Also, Arkona Advance Parts Inventory Management.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We do not have a current Vision statement.**
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? **Manually we do not track FTFR. We do use our DMS for lost sales and fill rate.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Counter Retail – 8% Wholesale – 5% Internal – 3% Service – 84% Roughly 13% of Service sales in warranty. No Body Shop**
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 and Express Service employees have access to changing pricing. Security is there but is not utilized.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? **Service Advisors? Express lube advisors, Counter People, and Parts Manager.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Cost plus 20% to cost plus 25%. GM established internal pricing. Just updated to Cost plus 28% and cost plus 38% after speaking with GM.**
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 retail for warranty.**
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 sure about Service but Parts do work with the office on all parts invoices 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)? [Parts do not see a financial statement and is not discussed.](#)
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? [Pricing strategy is Toyota Suggested retail pricing. Daily.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [Maybe once a year. No coupons are up and running.](#)
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 an eStore.](#)
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 provided by Toyota program. Dealer education & Certification program offers courses. They are 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? [AIM program.](#)
16. What would help you sell more accessories? [Presentation to every customer. We have a dedicated Accessory Employee and he performs well. Reports direct to GM](#)
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. Review two to three times a years.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [I do not off the top of my head.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We conduct perpetual inventories through out the year when they are needed. We do not have a set date. Once a month Shipper purges through SOP bins, we conduct perpetuals with parts are missing in bins. We do not communicate variances to the office daily.](#)
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? [Lost Sales are tracked. We assume if a customer is requesting a part and we have or had the part on hand the customer would buy it. All requested parts that we do not sale are lost sales.](#)

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [SOP are not paid for in advance.](#)
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? [Special Orders. \\$33,000](#)
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.)? [Our system does not automatically phase in or phase out parts. This is done manually by the Parts Manager. Toyota does not use a "factory recommended stocking guidelines strategy".](#)
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? [8](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [More Training.](#)