

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)? **He has no formal training for Parts Management, but wants to get some soon. He started this role 8 months ago.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes we do. " We at Peace Country serve our customers in a manner that leaves them blown away, not left wanting. Our store values the lives of those we serve. We are the lighthouse in the dark. We are transparent, we treat our staff like members of a team, not as a tool. Peace Country Toyota is the ensign that all others will measure themselves against!"**
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 we have not tracked FTFR. We are working with ur DMS provider to see if this can be set up. We are going to try the manual way to see some results in the short term.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **59% vs 41%**
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? **There are two counter staff (including the Parts Mgr) and they both are authorized to discount down to a threshold before it triggers a GP warning. Any discounts are discussed before putting through.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Mrg, Operations Manager (me), General Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. Ops, Parts, Service, and Used Car Managers discuss these. 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**

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. **Yes, weekly.** Do they verify that all parts invoices and repair orders are closed out in a timely manner? **Yes, weekly.** What does this look like? **They have a color-coded (warranty, retail, internal) "WIP List" that goes from oldest to newest age, that the claim is paid, if parts backordered what's their ETA, can we close at month end.**
10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? **YES! Fixed Ops meets every Tuesday to discuss progress.** If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (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? **We strive for a GP of 35% and review weekly on what is driving this number up or down and adapt.**
12. How often do you audit your dealership's Parts web page? **Monthly.** How often are coupons, hours of business, etc., reviewed and updated? **Monthly**
13. Do you have a Parts online eStore? **No.** How do you ensure that parts order forms/queries are responded to in a timely manner? **First thing in the morning parts dept opens email to check for online leads.** Who gets the email leads/questions? **Parts email box gets the leads which are monitored by all parts staff.**
14. What sales training is available to Parts personnel? **Toyota University online.** If training is available, is it mandatory? **Yes it is.** How often are sales skills assessed, tested, and refreshed? **Not as often that should!! We are working to set up a schedule for monthly refresher training.**
15. Do you have a process to offer accessories to 100% of your New and Used customers? **Yes.** If so, what does it look like? If not, why not? **We pay the sales staff 5% of their client's accessories sales so they are very helpful in offering some form of accessories (ie. Winter tires, OEM accessories, etc.)**
16. What would help you sell more accessories? **Service department following up on their customer-pay quotes; review of the price matrix to be more competitive with surrounding competition.**
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? **Yes.** How often are they reviewed? **Quarterly**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **No he did not, but I did the NADA calculation with him so now he knows how to calculate it!**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **2x per year physical inventory; starting soon to do perpetual bin counts; Parts Mgr has a form that he fills out for adjustments which has an "accountability" section as to why there was variances.**
20. Are lost sales being tracked in your DMS? **Yes and No!** Do you have a common definition that all counter people understand? What is your definition? **As far as the Parts Dept knows, Lost Sales are "Automatically Tracked" in their words, which the DMS shows, but no one knows if it is recommending phasing in frequently-requested inventories. We are working to update this with our DMS on how to effectively do this!**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Service dept NOT following up and booking the service when parts arrive.**
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? **Service cancellations of non-returnable parts (ie. Campaign parts are not returnable), wrong inventory that ages and not dealt with regularly**
23. What is your phase in/phase out strategy? **Found out there is NOT one! Will be implementing one ASAP!** How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **n/a with Toyota**
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? **5**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Training, training, training!!!! Planning to send him to the NADA course in Seattle in April!**