

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 SPECIFIC PARTS MANAGEMENT TRAINING MODULES AND IN PERSON SESSIONS

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

NO

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?

NOT MANUALLY / 89.23%

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

63% INSIDE

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?

OPEN/COUNTERMAN CAN CHANGE BUT THERE IS A MONTHLY REPORT TO REVIEW PRICE OVERRIDES BY COUTNERMAN.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

ONLY PARTS PERSONNEL CAN OVERRIDE PRICING

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

YES, ESTABLISHED BY PARTS MANAGER AND DEALER PRINCIPLE. 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 RETAIL FOR WARRANTY, WE ARE IN PROCESS OF PETITIONING FOR AN INCREASE.

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, NEARING END OF MONTH CONTROLLER SENDS AN OPEN RECEIVABLES REPORT AND PUSHES EVERYONE TO CLOSE AS MUCH AS POSSIBLE. SHE ALSO HIGHLIGHTS ANYTHING THAT HAS BEEN OPEN TOO LONG (AGED) AND COULD BE AN ISSUE.

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 MANAGER HAS ACCESS TO DOC AND IS CONSULTED WHEN ANYTHING SEEMS OUT OF PLACE

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?

THERE IS A PRICE BREAK ESCALATOR IN PLACE AND WE AIM FOR A 40% MARGIN IN CUSTOMER PAY. WE REVIEW THIS MONTH TO MONTH AND GO OVER WAYS TO ACHIEVE THIS GOAL

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? MONTHLY (TYPICALLY BEGINNING OF MONTH WHEN COUPONS ARE REFRESHED AND SWAPPED)

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?

NO

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 PROVIDES TRAINING MODULES AND A CERTIFICATION SYSTEM FOR PARTS PERSONNEL. THIS IS NOT MANDATORY ANY MORE BUT IT INCENTIVISED. SELLING SKILLS ARE CONSTANTLY BEING TALKED ABOUT/REVISED

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, THERE IS A PROGRAM WE USE HERE CALLED THE AIM SYSTEM WHICH PROVIDES A WEB BASED INTERFACE THAT FACILITATES ADDING ACCESSORIES TO THEIR VEHICLE PURCHASE, THE INTENT IS THIS IS PRESENTED TO ALL CUSTOMERS AS PART OF THE BUYING PROCESS.

16. What would help you sell more accessories?

THE AIM SYSTEM BEING USED AS INTENDED AND BEING MADE A NECESSARY PART OF THE SALES PROCESS. ALSO A LARGE ACCESSORY DISPLAY VISIBLE TO CUSTOMERS WOULD HELP.

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, THIS IS DONE CONSTANTLY.

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

THIS HAS NOT BEEN QUANTIFIED

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

WE HAVE PERPETUAL BIN COUNTS DONE WEEKLY/EXCEPTION REPORTS FOR PARTS ORDERS DONE DAILY/NO-BIN REPORTS DONE DAILY. PART VARIANCES ARE EITHER WRITTEN OFF ON INTERNAL INVOICES OR MANUALLY ADJUSTED UP OR DOWN, ACCOUNTING IS GIVEN COPIES OF THIS ACTIVITY

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 AND REVIEWED/ DEFINITION IS IF THERE IS A REQUEST OR INQUIRY ON A PART THAT WAS NOT ABLE TO BE FILLED IMMEDIATELY (OFF THE SHELF) A LOST SALE IS POSTED.

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

COMMUNICATION BETWEEN SERVICE CUSTOMERS/ADVISORS/PARTS PERSONNEL

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?

ABANDONDED SPECIAL ORDERS / \$12,842.83 5%

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 LOST SALES/SALES IN 6 MONTHS QUALIFIES FOR STOCK IN, STOCK OUT AT 10 MONTH NO SALE. THIS IS IN LINE WITH FACTORY GUIDELINES

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? I NEED A NEW PARTS VAN AND EXTEND BUDGET FOR PAYROLL TO BE ABLE TO AFFORD A QUALIFIED COUNTERMAN AS OPPOSED TO A GREEN SHIPPER RECEIVER ONLY