

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)? **I have not been to any NADA training, only manufacturer**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Other than Kiazen, or just to be better than what we were yesterday. 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?
I have not
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
About 78%
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 no exceptions in place at this time.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Parts personnel only
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
In most cases yes, we are billing at retail. There are some cases that we will adjust down. This was in place when I started.
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?

In most cases yes, we are billing at retail. There are some cases that we will adjust down. This was in place when I started.

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?

I have not worked with Becky Neuman on our parts WIP in the past. Not a regular meeting that should happen.

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)?

I do receive the financial statement and review it myself, not with anyone else. I review the DOC daily if not every other day and update my forecasted numbers then discuss the Fixed Ops Director biweekly.

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?

Retail is billed at list over the front counter and will be reviewed after inventory to set up a more spread out grid pricing matrix for service customers as well as revisiting wholesale discounts based on sales and return percentages

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

I have removed one coupon but have not focused on the webpage yet.

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?

This is in the works with TMNA/GST on the new site. No set up has taken place yet.

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?

TMNA offers classes through Toyota University and this is mandatory training. There are also virtual classes that employees are signed up for based on their position.

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 are about 85% complete on DD365 for accessories. Adding special wheel and tire, hitches, and running boards once the packages are built.

16. What would help you sell more accessories?

Having customer facing capabilities to show what accessories are available at the retail counter. Training the sales team on the newly added accessory page in DD365

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. Quarterly. This is next on the list of cleaning the books

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?

Inventory is not accurate until physical inventory is complete. Variances are sent to the accounting office on a monthly basis with the MGR report (after physical inventory)

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?

Work in progress. I am working on getting the department more in tuned with this. Lost sales are posted when a part is inquired about but not on hand or immediately sold.

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

ASM's not having parts prepaid, a broken SOP staging system and consistency of parts being stored.

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?

Previous managements ignorance, lack of parts department management skills and massive orders. Over 12 months \$5460, 7-12 months \$571000

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.)?

Phase in is 5 in 9 currently, phase out is 1 in 7. I have not seen a factory guideline from Toyota in a while so I am unsure what it is. For our market this is working and inventory is getting better.

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?

7-8

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

More department focused financial meetings, NADA training. Either one would be good for me. I enjoy training and learning everything I can.