

## 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)? [Lexus College Online](#), [Parts Performance Group Annual Seminar](#), [Randy Brinkman Financial Training](#), [Penske Leadership Training](#), [TMMC Training](#).
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? [Penske Way – Effort = Results](#). [Lexus Covenant](#).
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? [Yes, this was a calculation I learned through the Randy Brinkman Training. 89.88%](#)
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? [75% \(RO/Internal/Warranty/Body Shop\) 25% \(Retail/Wholesale\)](#)
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? [Currently no restrictions.](#)
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? [Currently, Corporate Fixed Ops Director, Service Director, Parts Manager.](#)
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? [Yes, after a few years of operating, we are moving in tiers to reach retail pricing for internal. General Manager/Used Car Director, and Fixed Ops Director.](#)
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 California-yes.](#)
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, the service manager sends a report daily on open RO's and corresponding WIP.](#)

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)? [We have a director meeting every two weeks to cover this topic. Also, a daily DOC is generated.](#)
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? [Matrix pricing – this is reviewed monthly for corporate FOD.](#)
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? [The GM sends a reminder each month to verify the accuracy of our website. Also, all holidays or limited hours are reviewed for the website.](#)
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? [Yes, Revolution. We use a dedicated team to handle all matters.](#)
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 mandatory for job titles through Lexus Learn. Also, safety compliance training is online.](#)
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? [No, not currently. Great idea that we will pursue with GM.](#)
16. What would help you sell more accessories? [To accessories the new vehicles on the showroom floor. Also, Point of Purchase displays at sales.](#)
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? [No, we are in discussion about our wholesale opportunities.](#)
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? [Yes, I learned that at the Randy Brinkman Training.](#)
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? [We run a weekly inventory reconciliation.](#)
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? [No, we are not tracking Lost Sales by their definition. A lost sale is if it is ask for the first time and not filled, it's a lost sale.](#)

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? [Poor placement of SOP parts for visibility and contacting the guests.](#)
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? A few things. [Wrong parts ordered and not sent back.](#)
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 demand in 9 months. I think it works well with the manufactures return policy.](#)
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? [A soft 8!](#)
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? [Great question – additional training from the manufacturer.](#)