

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)? **None**
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 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? **We have not done this, in progress now.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **89.5% internal**
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? **Parts manager reviews the "Counterperson Override List" weekly.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts counter of Parts Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Accessories are at cost plus 30%, all other parts are at matrix. The parts manager, inventory manager and general manager.**
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 at cost + 91.15%. We petitioned Toyota 2 years ago.**
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, we are required to have no open invoices older than 30 days.**
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 not have access to the monthly statement, all data necessary is included in the DOC report.

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? Accessories are at Toyota MSRP, maintenance items are menu price with service, all other parts are matrix(list + 28.50%).
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? The page is audited and for correctness monthly and updated as needed. All coupons are updated monthly.
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 have an online store. Any emails that arise go to John, I also get an email and follow up to make sure it is answered.
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? Currently all our training is online through Toyota.
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 do not. An accessory book for the customer to see while with the salesman or finance.
16. What would help you sell more accessories? Adding floor mats to all used Toyotas that don't have them. Creating an accessory book for customers. If new car stock levels go up, maybe displaying them on new cars.
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? We do review them every 6 months, in the past I have said to shops that their returns are too high, this usually resolves the situation.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? My calculations come to \$2233 per counterman.
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? We count all parts bins every month and scan the count sheets to our controller.
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? We currently do not have access to lost sales.

21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers rescheduled to have the work done.**
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? **SOP parts not needed (ordering errors or never picked up) is our biggest cause of obsolescence. Counting all parts of 10 months our value is \$1980.86.**
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.)? **We are set to phase in "a part must have a demand 2 months out of 9 months". To phase out "a part must have no demand for 7 months". Toyota lets us return nonstock parts after 60 days and stocking parts after 6 months.**
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? **I have a good understanding of the monthly report, probably 8 or 9.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Work on communication between sales, service and parts.**