

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 master certified and lexus certified parts manager**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Yes, the customer comes first. Go above and beyond to give the customer the best service.**
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. 85.44%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **77%internal/RO/warranty and 33% wholesale/retail**
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? **Price adjustment is not allowed without parts manager approval. Go to cdk Fastlane and drilldown under "todays audit"**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **PARTS MANAGER AND PARTS COUNTERMAN WITH MANAGERS APPROVAL, SERVICE DIRECTOR**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **NO currently at cost plus 40% approved by accounting.**
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? **no. Toyota reimburse at 30% over cost.**
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? **parts manager follows up monthly WIP for parts invoices. Service manager follows up monthly for WIP for repair orders.**

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)? **available on a monthly basis, comptroller gives parts manager the parts side of the statement (page 9)**
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 are currently working to get 48% gp, minus warranty, wholesale and OEM accessories, (they are currently set at msrp)**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **These are done on a monthly basis**
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 currently have parts request page on our site, we have signed with Toyota and are waiting for Toyota to roll-out the all-new parts online store. Fixed-ops director, parts director, manager and assistant manager.**
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? **e-modules, webinars and in-class training via Toyota are available. It is mandatory to stay current with certifications.**
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 currently under construction and are remodeling the sales and service departments. Once completed, there will be accessory displays in all departments.**
16. What would help you sell more accessories? **Having more displays and outfitting more vehicles. Incentivize the sales consultants and f&I managers.**
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, we currently review monthly our top purchasing vendors. We often run reports for vendors that have not purchased in 7 days.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **It is measured on team sales not individual. Consultants need to \$5k per day**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **we perform quarterly bin counts, and an annual physical inventory through 3rd party. The variances are communicated with accounting annually.**

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition?**yes, if the part is not in-stock to meet the demand it is a lost-sale**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Advisor not setting apt with customer for follow-up to have parts installed**
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? **Non-returnable parts due to damage or non-oem parts having different process for returns. Currently our dollar obso is \$16,427.54**
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 demands of a part number in 12 months comes into inventory. If there is no parts movement in 12 it will phase out.**
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? **Level 7**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?**one thing is provide a retail center, supply all depts With accessory info to push accessory sales and have advisors create follow-up apt for sop's**