

## 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)? **Mercedes-Benz Parts manager training, Autonation Parts Manager Training. CDK/ADP parts management training. NCM**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? **What is it? Yes, we do have a vision statement. "We are Mercedes-Benz of South Orlando: Caring, professionals providing unparalleled individualized service. We are committed to anticipating and empowered to exceed expectations on relationship at a time. It's that simple!"**
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. Current FTFR is 98.1**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **70/30**
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? **I have a report of all over rides generated daily. I routinely go through this report.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts Manager and Asst. Parts Manager**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. The owner of the store. Yes.**
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**
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 Dept makes sure invoices that are able to be closed, are closed and paid for. Parts on Service Repair Orders get closed daily. With the total WIP being a reconciling item for month end

10.

11. 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 daily access to the DOC and FS**

12. 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 try to stay competitive on parts that are available in the aftermarket, and keep a higher margin on parts only available from MB. I go through the setups quarterly**

13. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **The web page has pre-approved rotating specials. The hours of business do not change**

14. 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 have several E-stores. Ebay, our own Web site. MBUSA link etc. PM and designated employees get the emails.**

15. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **Parts advisors have access to CDK/ADP. Mercedes Benz training and NCM training.**

16. 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. There are very few accessories any more from MBUSA. Most accessories need to be added at the vehicle prep center.**

17. What would help you sell more accessories? **If the manufacturer had more of a variety of accessories. Main things available now are trunk mats and all weather mats. Some visual enhancements**

18. 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 have several reporting tools available to us. Mercedes also provides and outside rep due to our volume who monitors this information and reports to me bi-weekly.**

19. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **I do not.**

20. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Every employee conducts perpetual inventory daily of bins assigned by the PM. The PM adjust the inventory when needed after researching the variance.
21. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Yes, our lost sales definition (contrary to others), is if someone needs the parts right now, can we give it to them off of our shelf. If not, it is a lost sale. The logic being, even if I we able to supply from another dealership, I did not have it. I also use this information to help me phase in an item quicker, or stock more of an item if it is selling out faster than being replenished.
22. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? We have few obstacles when it comes to this because non-warranty SOP's are prepaid. This helps ensure the customers come back.
23. 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? We do not have any real obsolescence. We are part of MB stock pro program and we have more than 80% of our inventory guaranteed returnable. \$25,636
24. 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 on MB stock pro and our settings are aggressive growth of the inventory. Aside from that, I regularly run NS sales parts with sales reports.
25. 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? 9
26. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? 2 more counter people and 2 more warehouse person. We recently had to let some employees go and I feel I need more.