

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 & NADA Parts
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
Yes, from opening the store but need to update to simplify.
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, honestly I've never tracked it prior to class.
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
79% Inside and 21% Outside
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 review Override Reports and also watch the Daily Doc for any drops in GP% and research. I also run RDIS monthly to review how much the Service Dept is discounting my parts on RO's.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
Mainly Parts Director & Manager, the Parts Advisors will ask prior to changing prices. Bookers will change pricing when a CCR is completed by a Service Advisor.
6. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
We are at Retail Pricing and have been for a long time.
7. 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 just recently petitioned and changed our warranty rate last year.

8. 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 have to submit an explanation for any Open Parts Invoices at Month End, and Service has to do the same.
9. 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
No, the Financial Statement isn't provided but we have numerous reports we utilize, Daily Doc, Fixed Ops Report, Parts Report Book are just a few of these.
10. 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 have three MB locations in the DFW Metroplex so we get together and review these annually.
11. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
We share our website with the other 3 locations so we have to agree on any changes on coupons, etc.
12. 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, we utilize Revolution Parts and all notification go to the Department so we all know whom responded and the timeline.
13. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed?
The only Training we have is from MBUSA, we have Quarterly Tests but nothing detailed in particular to Sales Training specifically.
14. 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 currently do not do a great job in offering this but its something that we do need to improve upon.
15. What would help you sell more accessories?
MB has just rereleased sunshades & all weather floor mats for some vehicles. I think more education to our Sales Team & Also Parts Team get more familiar with them.
16. 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, I review them monthly and make any adjustments or if I see a trend we adjust their discounts and have a conversation with them as well.

17. Do you know how much each of your Parts salespeople must sell each day just to breakeven?

Yes, \$4515

18. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?

We perform a Monthly Parts Reconciliation with our Accounting Team

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

Yes, we track Lost Sales, and after our class I went back and coached them on a Lost Sales definition.

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

It's basically all up to my Department to get clients back in for SOP parts, the Service Advisors aren't involved at all. My Team will email the BDC if they aren't able to send a notification through CDK Drive if no email is in their contact info.

21. 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?

Its parts ordered for Internal or External clients that are no longer needed. \$4652

22. 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 currently have StockPro so Phase In & Out doesn't really mean what it used to prior to having an AOR. I do run stock orders outside of our AOR to review since we do have so many VIN or Backorder Parts due to supplier & material restraints currently.

23. 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?

8 I'm familiar with most of it.

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

I think we could provide a better support system for some managers or directors that have questions and also provide more training for our Department Team as well.