

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 Parts training and seminars, Infiniti Parts Training, CDK training

2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?

We have a vision statement for our store and our parts department, and it was actually redistributed a couple of weeks ago
Deliver the right part, at the right time, every time!

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 we have not until the exercise that I did for our post class work
Our CDK has not been tracking FTFR properly but Mercedes also has their own FTFR tracking system
CDK: 61.21%
Mercedes: 81%
NADA Exercise: 78%

4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?

Inside- 68%
Outside- 32%

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?

As of right now every counter person can change the price on tires and wheels, but everything else has to come through our manager and he checks through our DMS every day.

6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?

Only parts personnel can change pricing for parts

7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?

Not at retail pricing for Internal

This was a decision made by all the dealerships in group by the dealer principal

It is current and has not been changed in a long time

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?

Both our parts manager and our service manager works with our office manager to finish all of our WIP documents.

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)?

It is given to our parts manager but it is not discussed.

Our parts manager runs the report himself every day to view on an excel sheet.

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 have a matrix that we use for our retail pricing strategy and we have a forecast for each month for sales so that we are able to check that our pricing goals.

Our parts manager also looks at what we are discounting each month to see if meeting those goals

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?

Once a month when our specials get changed and that's with everything, and we have a marketing department that looks at this as well

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 not have an online parts store.

Our parts advisors and our service bdc gets an order for through an email and they are notified on gmail about parts order forms

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?

Mercedes benz has their own training that they have to through to be certified/mandatory

There is also CDK training that comes through every once in a while

In xtime our manager goes in to see if each part is being quoted and billed out correctly and if it is not done right he will email the advisor explaining how to correct it

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 we do not have a process to sell accessories

We currently do not have a process because our F+I department focuses more on 3rd party products more than accessories because it makes more money

16. What would help you sell more accessories?

Adding accessories to showroom vehicles

Accessories coupon at sale of vehicle

Accessories discount on the website

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 our parts manager runs the report monthly to see if it is worth doing business for them.

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

No we do not know our parts manager looks at a forecast and sets a goal for each guy but does not look at a breakeven point

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

We have a shipping a receiving employee who sees what is coming in and compares it to the invoice to see if it matches then it goes to our parts manager and then the office then checks parts reconciliations.

Variances are communicated through the invoices or a written PO

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 they are being tracked through the system

All of our parts advisors do have a common definition that all counter people understand

Our definition is if we don't have it on hand 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?

Our BDC to follow up with customers on picking up the part or have the coming in to get it 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?

Our biggest cause our special-order parts not being picked up and returns from wholesale

Our current obsolescence is \$29,895.53

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.)?

It is controlled by Mercedes Benz by ASR. Before it was 3 sales in 9 months for both phase in phase out.

Mercedes automatically recommends stocking for our store

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?

The level of understanding is a 9, as our parts manager has a very high level of understanding for all of the information in the DMS

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

Real manager training such as NADA academy parts training. This would greatly help just learning different ways on how to do things.