

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)? **Our parts manager gets quarterly training from our manufacturer, but we do not provide much training on the dealership level. This is something we are looking to change moving forward.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Our parts department does 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? **Our parts manager does not track FTFR manually. He does rely on our DMS. FTFR for our store is – 93.84%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **We have about a 55% internal to 67% 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? **Our parts manager is the only one who can set and adjust pricing. He reviews tickets daily to see if there were discounts given and if they were approved by him.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only our parts manager and fixed director have access to this.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **We are not. Our fixed director establishes our pricing. Pricing is reviewed quarterly.**
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? **Yes, we are**
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,**

our parts and service managers have weekly Monday meetings to follow up on all WIP and wholesale/body shop accounts to ensure we are following up and current.

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)? **Our parts manager does not see our financial statement. He receives daily reports that are discussed with the service manager and fixed ops director for our group.**
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? **Daily, we ensure our pricing stays competitive, being we are the only Mercedes-Benz store within hours of us.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly. Our parts manager and marketing team will get together to make sure items and pricing are up to date.**
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? **Yes. We have 2 designated counter salespeople who receive these leads. Our parts manager is also notified.**
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? **We do not provide our team with the sales training they deserve. As stated in my SWOT, this is something we going to be addressing this year.**
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, however with our brand, we do not offer many accessories after the sale.**
16. What would help you sell more accessories? **Mercedes-Benz hardly offers accessories for vehicles once they are delivered (all weather matts, illuminated star). They want us to accessorize the vehicle upon factory order, and those accessories are installed at our VPC.**
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 reviews that bi-weekly. This is something our fixed director is big on.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **Yes, each counter sales person needs to sell around \$35k a month to break even**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **We have our team doing inventory and**

bin counts frequently. Reports are ran and turned in to our parts manager for review to ensure both accuracy and integrity

20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Our definition of a lost sale would be when a customer requests a part that we do not stock. Our parts manager does track this through our DMS.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting our advisors to set appointments and get customers back in. Often times our team will not follow up.**
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? **We currently have \$7,212 in OBSO. We do not struggle much in this area.**
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.)? **Our phase in at 2 hits out and 9 months with no sales**
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 am about a 5, my parts manager feels he is a 10.**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **We need to provide more training for the department, aside from what our manufacturer provides. This would look like designated times set aside to freshen up our word tracks and processes**