

## 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)? **MB Learning Academy, Inventory Certification, Master Certified through MBUSA.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **We are Mercedes-Benz of Buckhead, caring professionals providing unparalleled, individualized service. We are committed to anticipate and empowered to exceed expectations: one 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? **We use off the shelf fill rate which is currently 92.48%, and averages over 91% on a rolling 12 month basis.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **80/20**
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? **They have the ability to change pricing, however we review reports of low gross or parts sold below cost and get with the counter personnel for their reasoning. The counter person pay is tied directly to parts gross profit, which dictates their behavior.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Parts counter personnel, parts manager, parts & service director**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes. GM in collaboration with parts and preowned managers.**
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 not, but we review and petition for an increase in reimbursement annually.**
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, there are weekly reviews of WIP and daily reports to review open invoices.**

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)? **No. Yes.**
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 on a price matrix. We review this bi annually with stores in other markets to verify that we are remaining competitive.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **Monthly**
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? **No.**
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? **MB Learning Academy courses are available and required. We also listen to sales calls and coach based on our findings.**
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? **Yes. We have an accessories manager that all sales people are required to meet with, with the customer, before the sale is finalized.**
16. What would help you sell more accessories? **Better representation of displays on the sales floor.**
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? **Occasionally**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **We have never looked at sales, but gross profit as our measuring tool. We have never had an issue with "breaking even" so it has not been a consideration. We review the counterperson productivity report to make sure each individual is carrying their portion of the workload and if their numbers are off for any reason, we look to see what is contributing to that. We also post the monthly productivity in the department so they all know where they stand in relation to each other.**
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Cycle counts, price verification on every invoice, verification of closed invoices for outside purchases. Usually through a manual entry with the proper account number.**

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. Yes. Any part that is not sold due to lack of on hand quantity.**
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? **Getting customers to come back in for the repair.**
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? **Mostly due to aftermarket or non returnable parts to the manufacturer. \$25,000 over 24 months old. Just written off as of 11/3/22**
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.)? **We have an aggressive phase in: 2 hits in 12 months under \$150, or 3 in 12 over \$150. We use this guide even with StockPro guidelines as well.**
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? **9.9**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Maintain personnel levels.**