

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)?
 - 20 Year on the Job Training and MB Training
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it?
 - We are a luxury retailer not a car dealer, not a car dealer, our success will be measured in that light
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 manually we utilize the system. FTFR is 91%
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)?
 - 80/20 Split internal to 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?
 - Only shift supervisors have the access to adjust pricing. Counter clerks do not nor can they void a ticket.
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors?
 - See above answer
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current?
 - Established by fixed ops director. RO Internals are full retail.
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?
 - New update was done this June and we are at cost plus 100%

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?
 - All end of month reports are due to the comptroller within the first week of the following month.
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, Only use the DMS report.
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 use Matrix pricing, and secret shop the competition every six months to make sure we are inline with the local market.
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated?
 - More done by our service manager.
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?
 - 5 people including the parts manager get the leads and are monitored to make sure they are responded to in a timely manner
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?
 - Required online quarterly training is conducted through Mercedes.
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?
 - MB does not have an extensive accessories portfolio. Most accessories are sold through the boutique.
16. What would help you sell more accessories?
 - Majority of vehicles are already accessorized from the manufacturer.
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, monthly. Very important.
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven?
 - Yes, between 5-7k a day. The fluctuation is wholesale/retail sales

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office?
- Quarterly inventory/bin counts. 2. Parts adjustment Counter charge sheet get's turned into accounting on a monthly basis
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, however we can improve upon this. Work in progress
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up?
- Getting the customer back in the shop. We hold SOP for three months before sending it back.
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?
- 50k in OBSO- Majority of our frozen capital are parts that cost less than \$10 and boutique items, clothes...
 - MB policy no part that cost less than \$10 can be returned.
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.)?
- Utilize MB program called Stockpro. It allows us to return parts after 12 months if not sold. Pretty much guarantees the sale.
 - They manage the phase in/out for us.
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
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?
- Build a warehouse on site. We own the land behind us and our dealership has outgrown our current space.