

5 WAYS TO PREVENT OBSOLESCENCE IN THE PARTS DEPARTMENT

Obsolescence may be one of the top issues that plague parts departments, and the worst thing a parts manager can do is pretend it doesn't exist. The best thing a parts manager can do is create ways to reduce the occurrence of obsolescence.

Impact of Letting Obsolete Parts Sit

- # **1** → You have cash tied up in inventory that is inaccessible.
- # **2** → Time and resources will be used to get rid of obsolete inventory.
- # **3** → Unwanted parts take up space in your warehouse.

**AVERAGE
OBSOLESCENCE
RATE:**

30%

**OBSOLESCENCE
GOAL:**

<5%



01 Know Your Biggest Offenders

Understand where your obsolescence is coming from. The top offenders are special parts orders that were never picked up, parts that were returned, and poor inventory management.



02 Ignore Your Gut, Trust Your DMS

A well-trained parts manager relies on the numbers in their DMS and trusts them to order new inventory. Don't rely on your gut feelings. Review the data and trends of the past 5 years.



03 Have a Pre-Pay Policy

When a customer needs a special order part, have them pre-pay or put a deposit down on the part to ensure it is picked up. Otherwise, you risk getting stuck with an unsellable part.



04 Work With Service to Pre-Schedule

Service is probably your biggest customer and a big driver of special order parts. Work with the service department to create a plan to pre-schedule the service before ordering the part.



05 Train Your Parts Staff

On-hand stock levels change daily, so your staff should be diligent with a routine daily count of all bins to ensure an accurate assessment. This way, you're not on the hook for parts you don't have.