

Idle stock cluttering your shelves? Here are guidelines to help reduce the growth of idle and obsolete inventory for General Motors Non-RIM guaranteed inventory. This can be used as a guide for other Manufacturers as well.

Review parts ordered daily:

- Look at high dollar items being ordered for Warranty and review multiple parts being ordered by technicians.
- Review large Wholesale orders whenever possible.

Review the Open SOR Report by Advisor to get customers scheduled and back in for repairs.

- Review the “SOR Report By Advisor” sent to you daily.
- Consider using your BDC to schedule return repairs with customers.

Make sure all Customer-Pay Parts on Counter Tickets and Repair Orders are pre-paid.

- Run RPD (Report Prepaid Parts) once a week.

Review any returns from customers or technicians with a high dollar value and not “RIM” protected for potential CSO-Code 11 return eligibility.

Run monthly return routines;

- Make sure to send back RIM guaranteed returns.
- Make sure to build and send back CSO accrual returns.
- Build and purge monthly accrual parts.
- Report obsolete parts to Parts Broker prior to purge.

Determine “Purge Value” needed monthly;

- Look at monthly Technical Obsolescence average value.
- Look at monthly average CSO accrual earned.
- Determine accrual needed to reduce or maintain obsolete value.

Review Wholesale Customers with “High” return percentages.

- Go into PDA, Monthly Reports, and Report #7 to review the credit ranking report to see what wholesale customers are potentially abusing return privileges.
- Consider lowering discounts and/or charging a restocking fee to those who are high in return percentages above 10%.

A combination of all the above procedures will help to reduce the growth of idle inventory and reduce obsolete parts growth. Consistent daily review and monthly returns being done will go a long way in helping to identify the “root cause” of internal issues that are contributing to idle inventory problem.

Reference link: <https://www.partsedge.com/blog/2018/10/how-to-minimize-idle-stock>