[Idle stock](#) can clutter inventory shelves and drag down overall parts department health. Creating a systematic plan to identify and remove idle inventory is key to keeping things moving smoothly. In many cases, we find idle inventory originating from manufacturer programs. While they are typically guaranteeing these parts, some of them still end up in idle stock which takes up space, funds with holding costs, and wastes everyone's time. Here's how you can get ahead of idle inventory and build a plan for ongoing management.

Review parts ordered daily

A daily review of all parts orders (including wholesale) is essential to begin finding the root of idle inventory. You'll want to look especially closely at high-dollar items that are for a warranty repair and when multiple parts are ordered by the same technician. Many idle parts originate from warranty repairs that do not reach completion and techs ordering spec parts when uncertain about which is specifically needed.

Review open SOR report daily

One of the main contributors to idle stock is incomplete customer repairs. By reviewing the 'SOR Report by Advisor' which is sent daily, you can keep a close tab on what is outstanding and find solutions to getting customers scheduled for repairs. If you haven't already, [consider](#) creating a specific commission-based position for follow-up on repairs or utilize your BDC to follow up and schedule repairs.

Run RPD (Report Prepaid Parts) at least once a week

Review any returns from customers or technicians with a high dollar value and return eligibility. **Ensuring all customer-pay parts on counter tickets and repair orders are pre-paid** encourages customers to return and complete repairs.

Run monthly return routines

Monthly, you'll want to check for and send back all ASR-guaranteed returns. Be sure to:

- build and send back accrual returns.
- report obsolete parts to the [Parts Broker](#)
- build and purge monthly accrual parts.

Determine the *Purge Value* needed monthly

Even with great monitoring and follow-up, some amount of obsolescence is unavoidable. Calculating the amount needed monthly to purge will help you make a plan and get ahead. To calculate this, look at the monthly [Technical Obsolescence](#) average value. Then, find the monthly average of accrual earned to determine the accrual needed to reduce or maintain obsolete value.

Review wholesale customers with high return percentages

Wholesale customers can be a massive source of idle inventory from returns. It's important to ensure your wholesale customers are truly bringing value to your operation. To find high-return wholesale customers 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%.

Using a combination of all the above strategies will help to reduce the growth of idle inventory and reduce obsolete parts growth. Consistent daily reviews and monthly returns will go a long way in identifying the root cause of internal issues that are contributing to idle inventory.

Reference link: https://www.linkedin.com/pulse/minimizing-idle-stock-partsedge-inc-/