Parts obsolescence is a growing problem for parts departments. A surplus of obsolete parts can make it difficult to generate revenue in the parts department. High parts obsolescence can be caused by many things, like inventory errors or just low sales volume, but the number one contributing cause of parts obsolescence is a high percentage of unsold special order parts.

Why are unsold special order parts the bulk of obsolete parts? Special order parts are an essential category of parts sales. However, oftentimes special order parts don't make it to the customer and instead end up on the shelves. These fall under Forced Stock parts and can make up to 30% or more of the obsolete parts in the department. This can have a serious impact on your department's absorption rate and create many overhead issues.

## The Top Challenges According to Parts Managers

Abandoned pickup orders are the largest challenge for parts departments. When special order parts are ready for their customers at the parts counter, their customers don't show up. Why is that?

Parts managers report that customers, both wholesale and individual, often leave a part order at the parts counter for one of two reasons.

1. They have found the same part at a competing retailer for a better price.
2. The part they ordered is no longer needed.

What parts managers are left with is high parts obsolescence and less space on the shelves. So, what are some of the tools that can

help parts managers reduce their parts obsolescence and lower their rate of Forced Stock parts?

# Prevent Parts Obsolescence

Lowering the chance of acquiring more Forced Stock parts is the first step toward combating parts obsolescence. Limiting what comes into your inventory can help you understand where you need to place the bulk of your focus to reach your revenue goals. So what are some things you can do to help support this?

# Understand Your Inventory

Do a deep dive into your inventory to find out what obsolete parts you have. What parts make up the bulk of your inventory? What parts make up the least percentage of your inventory? What special order parts do you notice go abandoned versus the parts that don't? Find ways to improve your [inventory management;](#) oftentimes parts obsolescence can be the result of an inventory error. Streamlining your inventory processes can help reduce the risk of those errors popping up.

# Focus on Demand

What parts have the highest demand in your parts department? What special order parts have been requested the most, even if they've never been picked up. Understanding what parts are getting the most attention from your customers can help you predict what you need to have in stock and what you don't need.

# Revise Your Return Policy

Many dealers are wary of having a return policy, especially when it comes to high-cost special order parts. While special order parts can be expensive, they don't want to encourage more returns because it might push customers to end doing business with their dealership. However, having a flexible return policy can help you keep customers without losing too much revenue. Set time frame limitations for a return on a special order part. Depending on the situation, dealers can utilize a flexible return strategy to lower the number of special order parts returns. If you don't see returned parts as the bulk of your forced stock parts, then look to other areas to determine where your largest issue is.

# Improve Your Quoting Process

Losing customers to a competing retailer based on pricing is one of the biggest challenges that parts departments face. Improving your quoting process can help close the gap on the competition. Make it easier for your customers to get a quote for their part order, confirm it, and notify them when it's ready for pickup. A more efficient quoting process will get your customers the parts they need in the time they need them.

Reference Link: https://www.revolutionparts.com/blog/the-1-cause-of-parts-obsolescence-in-your-parts-department/#:~:text=High%20parts%20obsolescence%20can%20be,of%20unsold%20special%20order%20parts.