

Your auto parts inventory is a substantial asset that ensures your fixed operations are able to perform efficiently and effectively. If it is not properly maintained, you risk inventory errors and challenges that will have an adverse effect on your entire business.

That is why it is critical that dealerships maintain an accurate inventory - it helps improve your company's overall success.

The fact is, managing inventory is difficult for all businesses, especially large dealerships that have many people handling their parts inventory. While discrepancies are almost always going to occur, there are many ways you can minimize these differences and help ensure your inventory is as accurate as possible.

1. Don't Overlook the Importance of Good Warehouse Personnel

Your department runs lean in personnel. It comes as no surprise then, that when a parts order arrives it's tempting to assume that the amounts received match the amounts ordered. That way you can quickly receive the stock and move onto the next task. Unfortunately, though, vendors make mistakes.

To avoid this mistake, make sure your shipping and receiving clerk and warehouse staff are well trained. Most of the discrepancies in a physical inventory can be attributed to poorly trained staff.

Before your staff put new parts on the shelves, have them verify that the numbers and quantities match the shipping receipts. Otherwise, your records will be inaccurate before the parts have even been handled by staff or sold to customers.

2. Store Your Parts Thoughtfully

While it takes less time and thought to put new stock wherever you have space, considering where you put it can help reduce shortages and misplaced parts.

Taking the time to create an effective inventory organization system and then ensuring it is implemented, and followed, can result in greater accuracy and it will, more than likely, have a positive effect on your productivity and dealership efficiency.

3. Put Parts Back Where They Came From

This may seem straightforward, but many dealerships suffer from parts being put back in the incorrect place or not being put back at all.

By ensuring that you have implemented a simple and time saving process for managing returned parts, you can increase accuracy and decrease the number of parts that go missing or get misplaced.

4. Maintain Efficient Inventories

Most manufacturers now have mandatory auto replenishment programs but, this does not mean that their programs don't need to be managed. Now, more than ever, it is critical that the person in charge of ordering manages these programs.

As discussed above, inventory shortages can be detrimental and too much inventory is just as unfavorable as too little. Don't let the manufacturers dictate 100 per cent of your stocking levels.

Take the time to review the turnover for each item and determine if you can cut back on the depth of in-stock items. Once you have done this, set minimum stock amounts that reflect the turnover and supplier lead time to minimize the likelihood of being caught without the item on hand.

5. Complete Regular Inventory Checks

The more frequently you check your inventory, the easier it will be to spot errors and problem areas. This will, in turn, have a positive effect on your inventory records.

If you are unable to check your entire stock, focus on the fastest moving items, special ordered parts and the highest valued parts. Take a couple bins each day throughout the year and check your accuracy. By doing so, you are able to identify the areas that your staff need more training on.

If you know that there are some parts that never seem to match your records, take the time to check their levels more frequently. This will help you to identify problems as they occur, and hopefully identify the source and resolve the issue.

6. Controlled Access

It's important to limit the number of individuals who have access to your dealership's inventory management system, and that the access level is regulated. Someone, who is not properly trained, could inadvertently change quantities and records or make an improper entry in your inventory system.

By allowing access to a few well-trained individuals and requiring them to keep their login credentials private, you can minimize the risk of your inventory system being altered.

7. Have a Back-Up Plan

These days, few things are done without the use of a computer or some sort of technology, including inventory management.

While we happily depend on these technologies to help us with our day-to-day tasks, they are not always dependable. Maybe something is damaged, maybe it needs to be charged, maybe the electricity went out or maybe someone took it.

Whatever the issue, having a manual process in place that can be implemented when your technology is unavailable will help ensure that you are equipped to maintain proper records.

Reference Link: <https://www.procountwest.com/mikes-blog/7-tips-for-maintaining-an-accurate-automotive-parts-inventory>