

This course is designed for the Production Manager, Parts Manager, and/or General Manager and covers the entire parts management process. The class will help decrease your cycle time by reducing errors associated with the parts portion of your business.

“Within a short time our parts gross profit climbed from 8%-27%. Considering that parts represent nearly a third of our total sales, those figures were an incredibly welcome sight.”

*Todd Rhodes
Manager
Heritage Auto Body*

PARTS MANAGEMENT

(2 hours)

Target Audience

Estimator, Production Manager, Parts Manager, General Manager and Owner

Are You Experiencing:

- Delays waiting for parts
- Multiple parts orders for a single repair order
- Excessive parts returns
- Low gross profit on parts
- Poor vendor relationships
- Excessive time spent managing parts
- Technicians spending too much time looking for parts
- Not getting paid for stock parts (clips and fasteners)
- Not getting paid for supplemental parts or price increases

This Course Will Provide:

- Development and implementation of a complete parts policy
- Process for ordering parts to minimize errors
- Process for receiving and checking in parts
- Process for storing parts properly
- Process for handling stock and alternative parts
- Process for handling backorders
- Process for handling parts returns efficiently
- Understanding credit management with your parts vendors

The course includes role playing to emphasize the value of proper organization and consistent processes in order to optimize production efficiency. Participants will be asked to bring a closed repair order file to class. They will be provided with specific file management processes and the forms necessary to implement those processes.

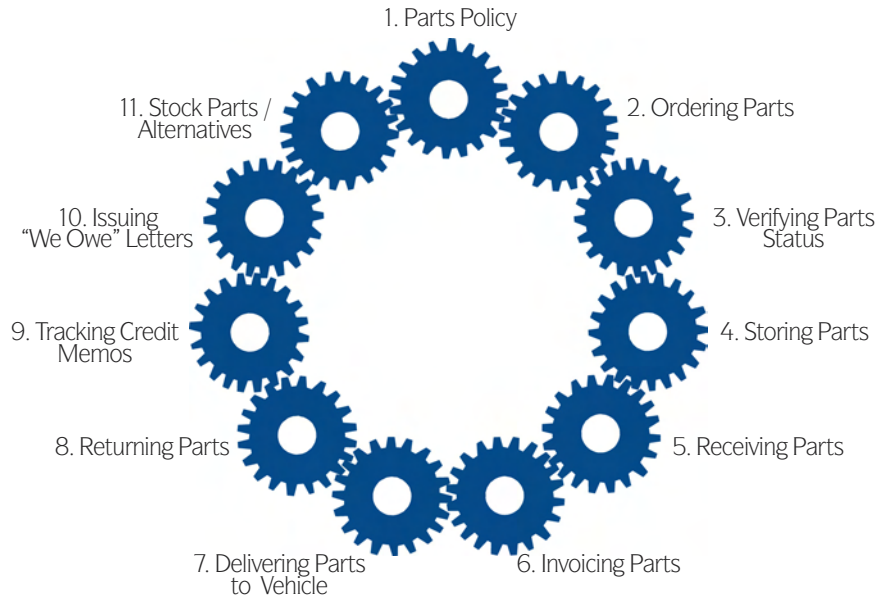
Why We Are Different!

We understand the value of your team’s time and the need to keep your staff in the repair facility maintaining production. Therefore, all classes are modular in format and delivered locally.

Instructors are Akzo Nobel employees whose only responsibility is business improvement for our customers. This interprets into great depth of knowledge and increased learning for students.



Parts Management Process



Investment Analysis*
Parts Management

Assumptions	
Current Sales (Monthly)	\$100,000
Current Efficiency	150%
Current Gross Profit Margin	39%
Current Overhead Expense to Sales	28%

Profit Drivers	Service Impact	Monthly Profit Change
Sales	N/A	\$0.00
Efficiency**	1.0%	\$260.00
Direct Cost (as a % of sales)	-0.5%	\$500.00
Overhead Expense (as a % of sales)	N/A	\$0.00
<i>Total</i>		<i>\$760.00</i>

Investment	
Service Cost	\$0.00
Salary & Benefits (service execution)	\$75.00
Travel	\$100.00
Salary & Benefits (implementation)	\$600.00
Other Implementation Costs	\$1,000.00
<i>Total</i>	<i>\$1,775.00</i>

Your Potential Return on Investment	
Annual Operating Income Improvement	\$9,120.00
Investment	\$1,775.00
Return on Investment (\$)	\$7,345.00
Return on Investment (%)	414%
Investment Breakeven in Business Days	49



* This analysis is not a financial guarantee. It assumes proper and complete implementation of concepts and recommendations offered.
** Profit improvement from an increase in efficiency is expressed through an increase in sales.