



FIXED OPERATIONS: Creating *Predictable, Repeatable* Service Revenue through Marketing



CHARITY DUNNING
Chief Marketing Officer



MELISSA MARLATT
Chief Operating Officer



KAYLEE FELIO
Marketing Manager

The Parts Inventory Performance Scorecard

Is your parts inventory built to produce — or simply built up over time?

A profitable parts department comes from having the right inventory structure, stocking strategy, pricing, controls, and visibility working together. Use this checklist to see how intentionally your inventory is being managed and uncover opportunities hiding in the inventory you already own.

1. INVENTORY STRUCTURE

Our stocking sources are intentionally structured around different types of demand.

We regularly review our source setup instead of relying on how the DMS was originally configured.

Our phase-in and phase-out criteria reflect our actual business and customer demand.

We don't use one stocking strategy for every type of part.

We know which parts are productive, excess, forced, protected, and obsolete.

Our inventory settings are reviewed and adjusted as our business changes.

4. OBSOLESCENCE + AGING

We know how much inventory is currently 13+ months without a sale.

We track the inventory that is moving toward obsolescence before it gets there.

We have a process for identifying why parts are aging.

We consistently use available return opportunities and return reserve.

We have a strategy for selling, transferring, returning, or disposing of existing obsolete inventory.

We focus just as much on preventing future obsolescence as we do cleaning up today's problem.

2. STOCKING THE RIGHT PARTS

We stock based on actual demand rather than instinct or "just in case."

We understand why a part is being added to inventory before we stock it.

We have controls around special orders, technician requests, wholesale returns, etc.

We actively identify parts that are consuming investment without producing sales.

We have a strategy for moving dollars from idle inventory into more productive stock.

We measure whether our inventory is becoming more productive over time.

5. PARTS PRICING + GROSS PROFIT

Our pricing matrix has been reviewed recently.

Our pricing strategy reflects current costs and market conditions.

We understand our actual realized gross profit — not simply the margin we expect.

Different types of parts are priced intentionally rather than using one broad strategy.

We regularly look for areas where gross profit may be quietly eroding.

Pricing is treated as an ongoing strategy, not a "set it and forget it" DMS setting.

3. DMS STRATEGY & OEMs

We understand how our manufacturer's stocking program influences our inventory.

We know which parts are being stocked due to manufacturer versus our own demand.

We regularly evaluate parts outside of manufacturer protection.

Our DMS settings support our inventory strategy instead of simply using default or inherited settings.

We understand where manufacturer programs help us — and where additional controls may be needed.

Our Parts Manager maintains visibility and control of the overall inventory strategy.

6. INVENTORY PERFORMANCE

We know how much of our inventory investment is actively producing sales.

We can identify inventory dollars that are productive, excess, forced, protected, and obsolete.

We track more than total inventory and 13+ month obsolescence.

We know whether our inventory turns and days supply are improving.

We can see where inventory performance is changing before it becomes a major problem.

We regularly adjust our strategy based on what the data is telling us.

RATE YOUR PARTS DEPARTMENT

HOW PRODUCTIVE IS YOUR PARTS INVENTORY?

Give yourself **1 point for every checked box**. More importantly, pay attention to **where your unchecked boxes are**. Your total score tells you how intentional your inventory strategy is today. The type of gaps you uncover can tell you what kind of support would create the most value.



34–43: BUILT TO PRODUCE

You have many of the structures needed to manage inventory as a true dealership investment. The next opportunity is continuing to refine the strategy and finding incremental gains in productivity, gross profit, and inventory efficiency.



21–33: MONEY IN MOTION

You're doing a lot right, but there may be inventory dollars sitting in the wrong places. Look closely at stocking structure, aging inventory, pricing, and how frequently your strategy is actually being adjusted.



0–20: YOUR INVENTORY IS TRYING TO TELL YOU SOMETHING

There may be significant opportunity hiding inside the inventory you already own. Before buying more parts or focusing only on cleaning up obsolescence, start by understanding how your existing investment is actually performing.

WHAT ARE YOUR GAPS TELLING YOU?

Your unchecked boxes can reveal where your department needs better visibility, execution, or strategy. PartsEdge helps you understand how your inventory is performing, where capital is tied up, and where opportunities may be hiding.

More of the right parts. Less capital sitting idle. Better inventory performance.

WANT TO LEARN MORE?



Join Kaylee Felio, Charity Dunning, & Melissa Marlatt at NADA 2027 for the presentation:

Fixed Operations: Creating Predictable, Repeatable Service Revenue Through Marketing Feb. 18, 2027 | 3:30 pm - 4:15 pm | W208AB

We'll explore how service marketing + parts inventory + price perception can work together to create intentional, measurable fixed ops growth.