



The Hidden Parts Inventory Issues Costing Dealerships Profit

**Core Indicators to Reduce
Obsolescence, Improve Turns,
and Protect Profit**

Inventory Turns

Inventory turns measure how many times per year a dealership sells its entire parts inventory.

Healthy inventory turns balance profitability and parts availability. The goal is to keep turns high without creating delays for technicians or customers.

Target Ranges

- ✓ 6-8 turns per year
- ✓ 4-5 turns if participating in a manufacturer program

✗ Reg Flags

- ✓ 3 turns or fewer indicates overstocking
- ✓ 10-12 turns may signal understocking and technician frustration

Improving inventory turns starts with improving fill rate. When the right parts are on hand, inventory sells faster and turns improve naturally.

Fill Rate Isn't Just a Number

Fill rate percentage measures the percentage of parts sold directly from on-hand inventory compared to all parts sold, including special orders and emergency purchases.

Often referred to as **off-the-shelf performance** or **job fill**.

While fill rate is commonly reported by the DMS, **the number can be misleading**. How parts are receipted into inventory can significantly impact the calculation and may produce results that don't reflect real-world performance.

Fill rate must also be evaluated in context. The mix of wholesale, retail, and warranty work varies by dealership, meaning the same fill rate can signal strong performance in one operation and problems in another.

Wholesale-heavy and warranty-driven dealerships typically run lower fill rates than stores focused primarily on maintenance and customer-pay work.



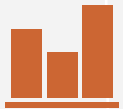
Fill Rate Benchmarks & Warning Signs

Calculating fill rate

Fill rate percentage is calculated by dividing parts sold from stock by total parts sold, then multiplying by 100. **Fill Rate % = (Parts Sold from Stock ÷ Total Parts Sold) × 100**

Your goal

An overall fill rate of 90–95% is a strong long-term goal for maintaining high levels of service.



Typical benchmarks by category

- Customer pay maintenance: around 98%
- Customer pay non-maintenance: high 80s to low 90s
- Wholesale: 50–60%
- Internal: around 50%
- Warranty: anything above 35% is considered strong

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- ✓ Rising special orders or emergency purchases
- ✓ Increased technician complaints about waiting on common parts

Improving Fill Rate Percentages

Fill Rate is driven by how well your DMS is configured and maintained.

The biggest drivers of fill rate performance include:

- 🔧 Tracking true parts demand
- ⚙️ Proper phase-in and phase-out criteria
- 📅 Accurate days supply settings

Regular reviews of excess and special order inventory reveal which DMS parameters need adjustment.

Improvement starts with the DMS.

Cause →

DMS settings control what you stock and how fast it sells.

Action→

Review excess and special orders to identify misaligned parameters.

Outcome→

Higher fill rate with fewer emergency orders.

The Cost of Static DMS Settings

When DMS settings remain unchanged over time, **performance issues** begin to surface.



Common impacts include

- ✓ Low fill rates
- ✓ Declining gross profit
- ✓ Inventory turn rate problems
- ✓ Over- or under-stocking driven by manufacturer ASR programs
- ✓ Recurring obsolescence



Operational symptoms often follow

- ✓ Frequent special orders or stockouts of fast-moving parts
- ✓ Source accounting inconsistencies
- ✓ Outdated or missing parts pricing matrices
- ✓ Overly complex or unreliable management reports

Regular DMS review, adjustment, and follow-up **correct these issues** and restore a healthy, efficient, and profitable parts operation.

The Right Place to Start:

PartsEdge

High-performing parts operations rely on consistent DMS implementation and ongoing maintenance to stay profitable and deliver strong customer service.

Over time, even well-run dealerships are impacted by outdated DMS policies, settings, and assumptions.

Maintaining peak performance requires regular review, adjustment, and follow-through, not static settings.

That's where **PartsEdge** comes in.



We **Solve** DMS-Driven Inventory Problems

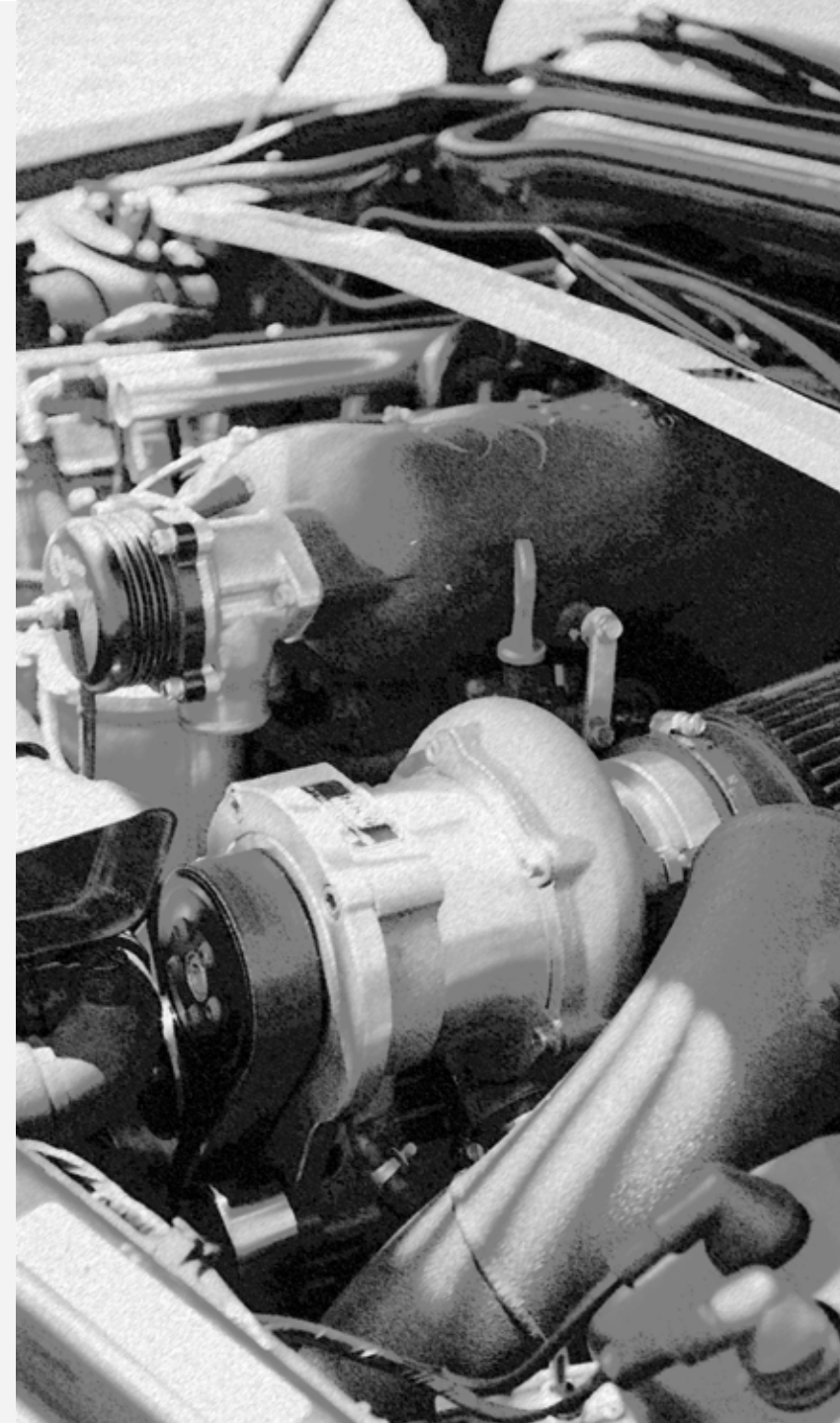
PartsEdge gives dealerships the tools and systems to make their DMS work the way it should. Managing the DMS effectively takes more time than most parts managers have. We remove the guesswork through automation, oversight, and reporting.

What this means for your operation

- Frees managers from the time demands of DMS management
- Saves parts managers 4-6 hours each week
- Moves inventory management from reactive to proactive
- Provides clear, reliable insight through accurate reporting

How it works

- With secure remote access, we implement proven DMS and manufacturer-specific configurations to optimize inventory and pricing.
- Every part is analyzed daily, with source and pricing updates handled automatically.
- Timely, accurate reports validate results and keep performance on track.



Real Results



"In one year, we reduced total inventory by 35%, increased productive inventory, and cut obsolescence by 58% — with technical obsolescence down 72%."

Greg Dimond, Parts Manager



"PartsEdge combines automation with real-world expertise to optimize inventory using both data and daily operational insight."

Jeff Denis, Parts Manager, Marcotte Ford



"With the tools offered by PartsEdge, I doubled my monthly gross profit within 16 months."

Jason Boyd, Parts Manager, Tate Branch Auto Group

Measured Dealership Results After Implementation

1 20% less total inventory

2 50% higher ROI

3 20% increase in parts sales

4 15% less idle inventory

What If Your Parts Department Could Drive Even More Profit?

The key to unlocking more profit isn't working harder - it's how your inventory is set up, maintained, and optimized inside your DMS.



PartsEdge: The Missing Link Between Data and Decisions

Partsedge uses real performance data, advanced algorithms, and dedicated parts experts to optimize inventory directly within your DMS. The result: tighter stock levels, less excess and obsolescence, without added work or operational disruption.

Ready to take control of your inventory?



www.partsedge.com