



Automating Parts Management [Makes Good Business Sense]

By Rob Sombach
for imageSource magazine

Service technicians need ready access to the right parts to be effective. But an overstocked warehouse can be money down the drain. A balance between parts supply and demand is key—a balance easily achieved through automation software geared to service company needs.

A good automated system will maintain an up-to-date spare parts inventory – both for the warehouse and individual van/truck usage trends, monitor supply for optimal levels and ensure proper billing for every part used.

This indeed has been the experience of Quality Document Solutions Inc., an authorized Xerox dealership based in Odessa, Texas, that uses an automation software system (Miracle Service™) to manage its field services, including inventory. The results, says the company's president, Tommy McCrury, have been reduced inventory costs, increased first-call effectiveness, and improved overall profitability.

Keeping Track

"Using a good automation system has enabled us to maintain tight stock control," McCrury says. "Now, we know at all times where our parts are, and where our technicians can quickly get the parts they need." The System keeps track of optimal stock levels in each van, according to the specialties of the individual technician.

"It's then easy to locate a required part in someone else's van if the technician doesn't have it in his own," McCrury says. "When one of our techs reports any usage of parts, the system notes the need to replenish these items. And effective tracking promotes greater accountability. Our technicians are more aware of the stock in their vehicles, are less likely to lose sight of any item and, overall, take more ownership for the inventory under their control. Another big plus is that invoicing for every part used during a service call is also automated. That way our technicians can focus on what they do best – customer service – and we don't lose revenue because of billing errors."

An automated system works proactively too, tracking which spare parts are included or excluded in each different type of service contract, helping ensure the company receives all revenue due.

Powerful analytical tools

Tracking parts usage helps maximize productivity, says Ralph Nappe. Nappe is Director of the National Technical Service Group at The Printer Source, a Connecticut-based company. He points out that statistical reports generated by automated software enables him to determine the ratio of parts usage to call volume for each of his technicians. Low parts usage combined with high call volume equals productivity, Nappe says. But technicians whose parts usage is too high are working inefficiently. Finding the "weak link" allows the company to address the problem through skills improvement of the technician in question.

Data analyses also helps achieve optimal inventory balance with a report that shows inventory movement over time, and will recommend minimum/maximum adjustments. Suppose a certain part is rarely needed, or needed so often that rush orders to the supplier become a regular (and expensive) occurrence. Having such information at your fingertips allows you to identify both supply gaps and overstocked obsolete items. Purchasing becomes more rational, while excess items can be returned to the OEM within the allowable return window. Such information also ensures that specialized technicians carry just the parts they need for the machines that they service. Wastage is reduced and cost kept down.

Boosting first-call resolution

Lack of the right part is a major reason for rescheduling a service call. Automated inventory management eliminates this in two ways: 1) by monitoring vehicle stock kits and helping make necessary readjustments; and 2) by providing analyses on rescheduling trends and parts usage that enables the company to be proactive.

"With reporting that shows us exactly what our customers are buying, we are able to determine future requirements and stay ahead of customer needs," says McCrury.

All these features help to ensure that technicians have what they need for each service call, resulting in greater first-call resolution and more satisfied customers. And this, of course, translates into profit. Companies throughout North America, therefore, are discovering that a data-driven parts management system will pay for itself many times over.

Automating your inventory management can:

- Improve supply planning
- Ensure consistent availability of parts
- Reduce inventory investments
- Achieve higher parts-related revenues
- Improve technician productivity
- Boost customer satisfaction and loyalty
- Increase profits

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