

# The ultimate guide to optimizing your parts department

Opportunities to streamline internal processes and optimize operations exist even for well-run parts departments. In fact, there are several solutions parts teams can easily leverage to help enhance customer service and create a stronger bottom line.



Most parts departments have their go-to parts ordering tools – one for collision, one for mechanical, and even more – that the team uses to receive, process, and fulfill orders. In theory, it's simple: orders come in, the team responds quickly, and the parts go out. There are, however, times when things don't run so smoothly and not because the parts team made a mistake. As most know, managing parts orders can quickly become a time-consuming hassle, especially when you factor in a frustrating parts payment process, having too many systems that don't work together, a lack of visibility into business trends and customer behaviors, or worse, customer retention issues and limited resources to address the matter. These are just a few areas where your parts department could benefit from a little optimization – and that means becoming more efficient, productive, and profitable.

**Here are a few tips for dealership optimization that make a big impact on your operations & your customers' experience:**



## 1. Streamlining parts transactions

A seemingly endless amount of complexity is built into automotive parts and components. Even the supply chain that moves each part is impressively sophisticated. In the end, you would think that paying for the parts – the actual transaction between shop and dealer – would be, well, the easy part. Not so fast. The payment process for parts ordering (as shops and dealers agree) is anything but simple. Inefficient and outdated payment processing practices are still the prevailing method for many shops and dealers. Whether this means having a delivery guy sit at the shop and wait for cash or issuing and mailing paper invoices (not known for their efficiency), it shows a clear need for process improvements. When your dealership is equipped to handle parts transactions quickly, you make the process easier for your shops and your team, giving everyone more time to work and deliver better results.

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New **parts payment processing solutions** offer secure, streamlined approaches that are both user friendly and cost effective. Just think, what could the team do if they weren't bogged down by manual transaction processing? How much time could you put back in your day if you could automate the ordering, payment, and reconciliation process? Just the increase in efficiency from reduced cycle times on receivables would go a long way. When your dealership is equipped to handle parts transactions quickly, you make the process much easier for your shops and your team.

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## 2. Leveraging business intelligence

A simple way to say this is: know your numbers and know your customers. **Business intelligence (BI) tools** provide insights that are otherwise unavailable or require you to comb through DMS data. Plus, BI solutions do more than show you sales numbers; BI helps your team monitor customer behaviors and trends, track customer interactions, and stay aware of key data points that highlight the health of your parts business.

It doesn't take long to get caught up in the workday, making it easy to overlook trends that impact your sales, especially if you need to dig for the data. If one of your once-reliable customers starts to reduce order volume gradually, would you know? Customers speak with their wallets and it's not always obvious until it's too late. This is where BI makes a difference. By offering a clear look at your wholesale performance, the leading solutions provide the information you need in interactive dashboards and shareable reports. It simply boils down to having tools to help you make proactive, informed decisions, giving you the confidence of knowing your business.

**Stay aware of key data points that highlight the health of your parts business.**



## 3. Engaging in customer retention marketing

You may be thinking, "okay, great, I know my numbers and know which areas and which customers need attention." But you're also thinking, "I can't reach out to everyone or stop by all my shops with a box of doughnuts and coffee." True, but **turnkey shop marketing solutions** can do the work for you, especially for customer re-engagement campaigns. It gets better, too! Customer marketing solutions that are designed to target your existing customers not only create new touchpoints with dormant customers, they also support cost-effective sales growth. Data shows that re-engaging current customers is the most effective way to grow your parts business through marketing campaigns.

Why? Your existing customers, on average, spend significantly more on parts annually than newly acquired customers. To go along with that, it's also more cost effective to engage existing customers than to add new ones. It takes more resources and manhours to attract new business – that may not payoff down the line – than to work with customers familiar with your parts department.

**Turnkey marketing solutions are becoming critical to parts department growth.**

New solutions are available within the market that use your current ecommerce data to target your existing customers through automated, professionally crafted email campaigns. These communications can include "We miss you" re-engagement campaigns or themed promotional messages that can drive business back to your dealership. Just think: When's the last time you reached out to a significant number of your current shops? It's not that you don't want to, it's just not practical. That's why turnkey marketing solutions are becoming critical to parts department growth: you can reach out directly to your customers and strategically grow your business without over-leveraging your time, budget, or staff.

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## 4. Connecting your current systems

Sometimes it can feel like technology is both the solution and the problem or, at the very least, a roadblock. You have several systems for managing parts orders and some don't 'speak to each other' or integrate, creating manual work you hoped technology would eliminate. That's the downside. The upside is that the industry's technology providers are aware of the issue and developed solutions to address system connectivity. When systems are integrated, your parts department can move faster, work with greater accuracy, and limit mistakes that create holdups.

Current solutions are **designed to connect ecommerce part sales solutions with DMS platforms**. This creates the connectivity you need to:

- Quickly (or even automatically) build quotes for parts orders
- Offer an accurate reflection of your inventory
- Reduce the likelihood of human error (like typos from re-entering orders)
- Limit the number of returns to process

**When systems are integrated, your parts department can move faster, work with greater accuracy, and limit mistakes.**

Enhanced connectivity limits mistakes – obviously, that's great! – but the efficiency gains allow your team to focus on more meaningful tasks, like increasing sales. These tools put your people in a position to leverage their parts expertise and insights to support their customers.

## Optimization is about filling gaps & clearing obstacles

Parts department optimization is not necessarily about finding and making sweeping changes. Optimization is about taking what you're good at, strengthening those areas, and removing obstacles. Can your team sell parts and manage customer relationships? Sure! Does the payment process always go smoothly? No. But that doesn't mean you scrap everything. However, it's probably time to identify ways to optimize the process. As we said above, this is an area of need that both shops and dealers cite (routinely) as creating complications. As noted, there are many examples where certain processes have small gaps that, when corrected, create a positive outcome for the business. Dealership optimization is about filling those gaps and clearing obstacles, allowing your team to do what they do best: sell parts and provide expert service to shop customers efficiently and professionally.

Interested in learning about the tools and solutions that help optimize parts departments? OEC dealer solutions are designed to support the dealership part sales process from order management to delivery. Visit [OEConnection.com](https://oeconnection.com) to learn more!



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### About OEC

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