



# Parts Inventory Management

Right Parts, Right Place, Right Time

George Verkamp

National Account Manager

AutoZone Public Sector Division



*Government Purchasers Saving You Money*

**Founding Co-Sponsors**



- 1) Industry Trends
  
- 2) Choosing The Right Vendor
  - a) Supply Chain Mechanics
  - b) Fleet Mix – Standardization
  - c) Administrative Costs
  - d) After Market vs. OEM
  - e) Quality of Vendor Personnel

## 1) Just-in-Time Inventory Management

- In a challenging economic environment, public agencies have recognized the costs associated with carrying inventory.
- Industry consolidation has produced a few large national competitors with efficient supply chain networks
- Aftermarket quality has improved providing more readily available parts options

## 2) On-site Parts Management

- Public agencies have recognized costs associated with carrying inventory and employing parts personnel
- Public agencies have opted out of the parts business



# **Choosing the Right Vendor**

---

## **Understand Vendor's Supply Chain Mechanics**

- **Distribution Model (store/warehouse platform)**
- **HUB and SPOKE**
- **Warehouse Network**
- **Frequency of Replenishment**
- **Emergency Replenishment**
- **Third Party Relationships**
- **Order Management**
- **Order options (Phone, Fax, Web)**



# Web Ordering



AutoZone Commercial - Parts Lookup - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Refresh Mail Print W

Address <https://azc.autozone.com/professional/viewShoppingHome.htm> Go Links

**AutoZone**  
The Complete Solution<sup>SM</sup>

Do It Yourself Find A Repair Shop For The Professional Professional Parts & Services

Welcome, JOE | Logout Quote (0 items)

Active Shop: TEST CUSTOMER  
[Change My Active Shop](#)

Product Search    
(Keyword, Part or OEM Number)

- Parts Lookup
  - Lookup by Brand
  - Component Locations
  - Vehicle Specifications
- Account Management
- AutoZone Commercial
- Government Agencies
- How to Buy
- Contact Us
- Commercial Shop Referral (en español)

**Duralast**

Home

Current Vehicle: 1983 Ford Truck F100 1/2 ton P/U 2WD 3.8L 2BL  
[Add Vehicle](#) [Vehicle Management](#)

## Parts Lookup

Parts	Accessories
<ul style="list-style-type: none"><li>Brakes &amp; Traction Control</li><li>Clearance</li><li>Climate Control</li><li>Collision, Body Parts &amp; Hardware</li><li>Cooling &amp; Heating</li><li>Drivetrain</li><li>Electrical &amp; Lighting</li><li>Emission Control</li><li>Engine Management</li><li>Exhaust</li><li>Exterior</li><li>External Engine</li><li>Fuel Delivery</li><li>Ignition (Tune Up)</li><li>Interior</li><li>Internal Engine</li></ul>	<ul style="list-style-type: none"><li>Air Conditioning Refrigerant and Accessories</li><li>Apparel</li><li>Appearance and Personalization</li><li>Audio</li><li>Automotive Help and Miscellaneous Products</li><li>Car Care</li><li>Chemicals</li><li>Clearance</li><li>Electrical and Lighting</li><li>Exhaust</li><li>Fastener, Screw and Hardware</li><li>Oil and Fluid Change</li><li>Oil, Fluid and Lubrication</li><li>Performance</li></ul>

Start Microsoft PowerPoint - [...] AutoZone Commercia... Internet 9:43 PM

## 1) Bid Process vs. Cooperative Contract Options



## 2) Ease of Doing business

- Shop Management Integration, EFT, No Core Charges, P-Card Acceptance

## 3) Reporting Capabilities

- Consistent, accurate, detailed reporting
- Consistent business reviews



## Identify Perception vs. Reality

- Know vendor's lines, manufacturers, and private label strategy
- Develop testing program that allows agency to identify more cost effective parts without giving up quality
- Good Communication
  - Fleet Management
  - Vendor
  - Manufacturer
  - Other Agencies
  - Parts Staff
  - Risk Management





## Understand Vendor's Hiring and Promotion Practices

- Know the organizational chart
- Communicate expectations (bid specifications)
- Provide Vendor with staffing recommendations





---

**Thank you!**

**Questions?**

