

# KEEPING YOUR PARTS DEPARTMENT PROFITABLE WITH EFFICIENT STORAGE SOLUTIONS



For many automotive dealerships, the service and parts department is a steady source of income and is continuously seeking to improve the process of its services. According to NADA, 60% of net profits come from their parts and service departments, which make it easy to understand the benefits of improvement. Investing in the organization and efficiency of your services department cannot only keep your profitability up but also your customer satisfaction. One easy way to optimize that goes beyond the monetary gain is to invest in proper storage systems.

### The Challenge

Service departments within a dealership are very active and can help serve hundreds of customers per day. With the high turnover of parts and tools, often times the organization and efficiency of the service department can be compromised. This poses a problem for keeping track of product lines, current and old model parts, and overall odds and ends that need to be stocked and organized. It's critical for technicians to make sure they have the right parts and tools are easily accessible while utilizing the available space in the most efficient way.

And for those slow-moving parts that take up valuable shelving space, finding the best way to organize them while allowing room for the faster-moving parts can be challenging. This is especially true if inventory turnover rates are low or when obsolete inventory levels start to climb.

### The Necessity for Organization

When considering the best options for optimizing your automotive parts and pieces within a service department, good storage systems can immediately benefit your business. Better storage can speed up your day-to-day processes like taking inventory and finding necessary pieces for repairs and replacements. An efficient storage system can also improve your overall existing floor space by creating an aesthetically pleasing and more professional environment.

### The Benefits of Effective Storage

A disorganized service and parts department can cost you unwanted waste, unnecessary surplus, put a strain on technicians, and most importantly increase service times and affect the way customers view your business. Additionally, supplies that are not kept stored and labeled correctly can result in lost tools and stock outs. There are some immediate standout benefits to assessing and investing in a better storage system.

### The Four Types of Storage Systems

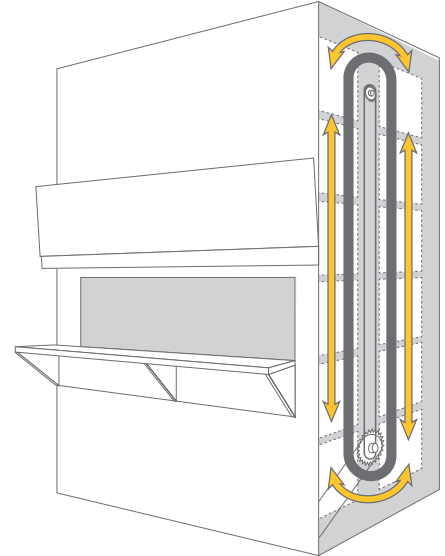


#### 1. *Static Conventional Shelving*

The traditional 4-bin post or rack-type shelving can be found in most automotive dealership service departments. It's the most common and economical choices for medium to large or slow-moving parts. The downside of choosing this variation of storage is that it takes up a large amount of space without offering an optimal amount of storage, so benefits are limited.

## 2. Vertical Storage System

Vertical storage systems are capable of storing a lot of items in a relatively small space. They are distinct in that they provide parts directly to the operator, which significantly reduces travel time spent locating and searching for parts. Vertical systems are ideal for security access, which means they are great for storing controlled items like chemicals and other valuable products. One of the limitations of these systems is that they can have a high cost of installation up front, with additional maintenance that is required due to the amount of moving parts.

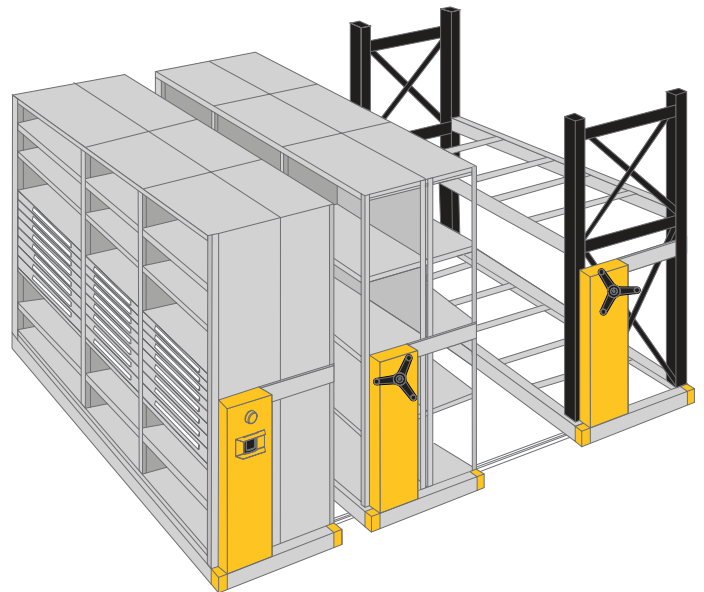


## 3. High-Density Storage

High-density storage systems usually include modular drawers and cabinets that are useful for small to medium sized items. High-density systems are highly customizable with many options for dealers to choose from depending on their specific needs. Additionally, these systems are more affordable than vertical storage systems. Conversely, they do not offer as much security as vertical storage systems and require more time for users to find parts and tools within the system.

## 4. Mobile Storage System

Mobile storage systems, like Spacesaver's ActivRAC®, are one of the most beneficial storage systems when it comes to automotive parts and tools. Dealerships looking to get the best return on investment choose ActivRAC because of its storage capacity. With mobilized storage, otherwise stationary (or fixed) rows of shelving or racking are mounted on carriages and mobilized. The carriages travel on industrial-grade wheels mated to a rail system which is anchored to the floor. Moving side to side, the system is able to compress (or compact) the stored materials into a much smaller footprint when compared to a stationary system—yet provide 100 percent access whenever needed. By eliminating wasted aisle space, you can essentially double your storage capacity in the same footprint. Each system can be configured to match the dimensions of stored materials or given amount of space. Along with the flexible design and configuration, each ActivRAC carriage can hold a load capacity of 7,000 to 30,000 pounds of material, so it's great for storing parts and tools of all sizes.



### The ActivRAC in Action

Mobile storage systems are already hard at work, improving automotive dealerships' service and parts departments. For example, Dave Kehl Chevrolet in Ohio recently was looking for an innovative solution to optimize their parts and service departments. Their original system was comprised of narrow shelving and 24-inch aisles, which made accessing supplies and maneuvering around the storage areas difficult. Plus, as they were one of the top dealerships in the area and were steadily growing, they needed to optimize their existing space to accommodate their growth.



After assessing their needs, their service and parts manager installed the ActivRAC 7M system as an integrated part of their existing storage configuration. This consisted of static shelving in the middle of the room, which was surrounded by mobile carriages. By integrating the mobile system with some of their initial storage, the staff was able to make better use of the square footage they already had and expand their storage space simultaneously. The manager reported that not only did the ActivRAC 7M expand their storage space, it also tripled their storage capacity, enabling them to carry a wide variety of small parts and tools (up to 7,000 pounds per carriage). The new storage system successfully met Dave Kehl Chevrolet's storage needs, while providing them with an effective and highly efficient easy to use system.

### In Summary

Having an organized and efficient service and parts department is critical for supporting your service employees and maintaining a high standard for customer satisfaction. Not only does it lower costs for warehouse and facility space, but also the appropriate storage system can create a more pleasant work and customer experience within your business. There are four main types of storage systems to choose from, each of them with its own characteristics. One of the most notable is the ActivRAC mobile storage system, which is capable of improving current storage systems or creating a completely redesigned system. Mobile storage systems have proven to be incredibly effective at optimizing automotive dealership storage, due to their adaptability, high weight capacity, and ease of use. For current and future storage needs, ActivRAC can increase profitability and efficiency for your business.