

Parts & Inventory Site Preparation Guide

Fleetsoft

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Getting Started

You're eager to start using your new Fleetsoft software. You want to get started right away and it looks as though there's quite a bit of front-end data entry work. It is recommended that you begin by entering your data into the system in the following order, as much as possible:

1. Company/Site information
2. Vendor information
3. Customer information
4. Employee information
5. Service code information (and PM Groups)
6. Vehicle information
7. Preventive Maintenance Schedule information
8. Parts Inventory information
9. Work Orders (Services and Parts)
10. Other Modular Vehicle Data

While you are researching and gathering the necessary data, consider getting your parts storage area cleaned up and organized. Really clean! Over the years, we've been in lots of truck and bus repair shops all over North America and most of them could do with a bit of scrubbing. Many of them were a mess.

Think about cleaning the old shelving units, removing any labels or location identifiers. Those are probably going to change anyway. Think about getting the deck scrubbed and painted. Think about installing new, brighter lights. Think about moving out all of that old stuff that inevitably accumulates over time; that everyone keeps tripping over. Get a shop vacuum out there and clean all of the accumulated dust and grime off the inventory

that's been sitting on your shelves for way too long ... perhaps years.

You get the idea. You're starting a new chapter. Send a message that you're going pay attention to how the shop is managed and how it looks to your employees and to your visitors. Create some pride in your employees about their workplace and the work they do. It's a new beginning. You've purchased and you're bringing in some 21st century hardware and software. Think about creating an appropriate home for it.



Step by Step Process

The preparation and set up of the typical parts inventory area includes the following steps. These steps can be performed in any order that seems appropriate as long as all of the steps are considered and completed as required.

Follow Each Step Carefully

- ☑ Get the parts inventory storage area cleaned and organized.
- ☑ Determine the new parts storage layout and how it will mesh with the work flow for efficiency and ease of use.
- ☑ Design a label scanning method, both into and out of inventory, to fit the shop's layout and work-order flow process. Determine who will receive parts into inventory, who will charge the parts out to vehicles or work orders and who will close work orders. Set-up parts bar code label scanning capabilities accordingly.
- ☑ Identify and set aside all current parts with excess inventory for return to vendors.
- ☑ Identify and set aside all obsolete parts for sale to the parts-aftermarket.
- ☑ Assign an identity code to every bin location. Use a three character code showing the row/aisle, the shelving section and the shelf level. For example: bin location 03-B-01 would represent Row 3, shelving section B and shelf 1.

Note: Because of the sorting convention used within Fleetsoft (alpha numeric data type), all of the numbers of any numbered list in Fleetsoft (bin locations, shelves numbers, vehicle/unit numbers, etc.) need to be the same length to have a normally expected progression of listed numbers. Where the total amount of identifying numbers in any list will require, but not exceed a maximum of two digits, a leading zero needs to be added in front of all single digit numbers e.g., 01. Where the total amount of identifying numbers any list will require, but not exceed a maximum of three digits, two leading zeros need to be added in front of all single digit numbers and a single leading zero needs to be added in front of all two digit numbers e.g., 001, 010. Without the zero(s) prefix, a sort of the numbers 1 through 20 would look like this: 1, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 2, 20, etc. Use the leading zero(s)!

Step by Step Process (Con't)

- ☑ Determine the part number and description you will use within Fleetsoft for each inventoried part. Be precise with descriptions. Differentiate between the number zero (0) and the letter O by putting a slash through the zeros. Do not use dashes in part numbers. Avoid inventing and using any prefix or suffix codes in part numbers.
- ☑ Determine and record the storage location for each inventoried part.
- ☑ Leave some extra shelf space along the way for the possible addition of new part numbers in the future.
- ☑ Neatly organize all parts within their assigned storage locations.
- ☑ Establish up to a 10 character code for each of your parts vendors.
- ☑ Research and record your last paid cost for all inventoried parts from all vendors.
- ☑ Research and record the warranty period in both days and miles for all inventoried parts from all vendors
- ☑ Complete the Part Detail Record in Fleetsoft for every inventoried part with the following detail:
 - Part Number
 - Description
 - Vendor Code
 - Unit of Measure
 - Primary Bin Location
 - Warranty Details
 - Cost
- ☑ Reorder Details...you have three choices:
- ☑ Formula (allows the demand trend by P/N to determine required on-hand quantity...see details in Using Formula Trend Reordering which follows)
- ☑ Don't Reorder
- ☑ Min/Max
- ☑ Prepare the count sheets, in bin-location sequence, with part numbers, descriptions, bin-locations and vendor. Leave blank the quantity on hand column.
- ☑ Take a physical inventory and have the counters enter on hand quantities for every part number listed on the count sheet(s).
- ☑ Have the counters write-in details (P/N, description, location & quantity) of any parts found but not on count sheets.

Yes, it's a lot of work! But, with this attention to detail up front, you'll reap the rewards of an inventory management system that will give you a lower inventory cost, a smoother running shop with fewer stock-outs and a great inventory-management reporting capability.

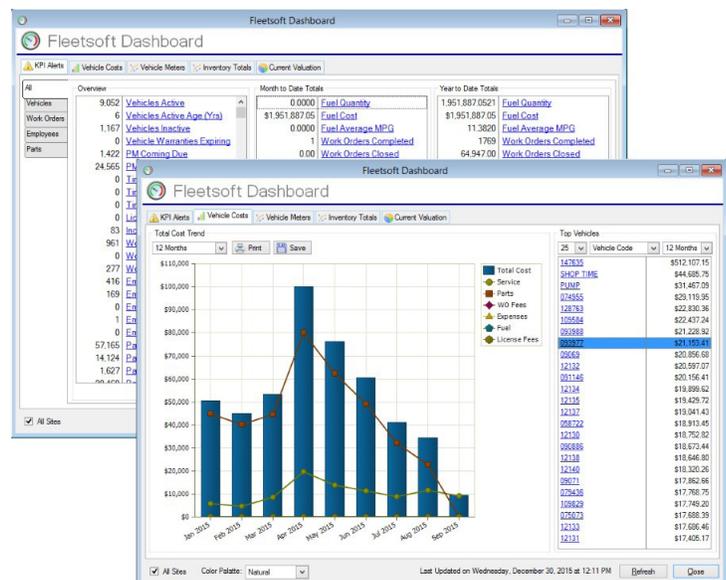
NOTE: Parts movement in or out of inventory will be frozen at this point until physical inventory is completed. Do some re-counts for each person helping with the physical by someone other than the original counter. Once satisfied that an accurate count has been taken, enter the on hand quantities into the Parts Detail Record in Fleetsoft for every part number counted during the physical inventory. Print labels for your entire inventory based on quantities on hand from count sheets. Position labels with parts inventory such that scanning parts out of inventory and onto work orders can be easily accomplished.

Using Formula Trend Reordering

Utilizing Fleetsoft's "Formula" feature enables you to pare your parts inventory down to an optimum level with minimum inventory and maximum reduction of stock-outs. Here is how it works:

1. Initially set up a new part record's reorder requirements in Fleetsoft by clicking on the Formula option as well as specify both the minimum and maximum quantities. This action allows the min/max quantities to govern part reorders for the first 90 days only.
2. During the first 90 days of operation, Fleetsoft develops a 30 day weighted average demand rate for each part number by taking 20% of the demand for the oldest 30 day period, 30% of the demand for the next 30 day period and 50% of the demand for the most recent 30 day period.
3. Fleetsoft then divides that 30 day weighted average demand rate by the default divisor 2, which results in a 15 day's supply based on your demand trend over a 90 day period. That divisor can be changed by anyone with a Manager's access. Changing the divisor will change the trend calculation. For example, if parts deliveries from your local suppliers are such that a 15 day's supply of parts for each part number is more or less inventory than you need to carry, you can change the divisor to 3 and the trend will recommend a 10 day's supply or you can change the divisor to 1 and the trend will recommend a 30 day's supply. The divisor can be any number.
4. When the divisor is modified on a part number to mesh with the demand-trend and the supplier's delivery capabilities, an optimal day's supply for each part number will be maintained. Taking full advantage of this feature in Fleetsoft will substantially reduce the capital investment most shop managers would ordinarily have to make in their parts inventory.

NOTE: After the first 90 days, when Fleetsoft has calculated an ideal stocking level for every part in inventory, a custom report showing the dollar value of all on-hand parts which are in excess of the formula recommended stocking levels can be generated. This excess inventory can be returned to your suppliers with the proceeds going directly to your bottom line.



Using Bar Code Labels

The use of bar code labels on your parts inventory should be thought of as a requirement and not an optional feature. You would be opting out of one of the most powerful features in Fleetsoft if the bar coding feature is not utilized. All stocked parts, except for miscellaneous supplies, should have a bar code label attached or in a loose supply with the parts on the shelf.

Think about how you want to process your work orders. Who should open and close work orders? Is a hard copy of the work order given to the technician? How and by whom are the parts checked out of inventory and applied to the vehicle or the work order? The use of our “peel-off” labels is an option to consider when deciding on a process to follow.

The peel-off labels are designed to easily pull away from the body of the label and can be stuck to the back of the work order hard copy by the technician or parts clerk, making the issuance of parts and the documentation of the part usage a physical part of the work order. When closing the Work order, the shop supervisor can scan the bar code labels on the work order hard copy. This action checks the part out of inventory and creates a parts usage record on the work order and to the vehicle while virtually eliminating all of the normal errors associated with technicians hand-writing the details of their parts usage.



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