

I have outsourced our parts delivery. Most of the parts trucks are in poor shape with high miles when we are done with them. They are wholesale units. Now we don't pay excise tax and title fees, property tax, gas, maintenance, auto insurance, payroll and employee benefits, worker's comp insurance, etc. In total the cost is less and we are never short of drivers like we would be when someone called in. Our customer service has been better and our accounts are growing. As a result, we are working on scanning old files to make room for expanded inventory storage. In addition, there has been some back and forth between wholesale and accounting on who is responsible for collecting on the accounts. When one customer complained that they would cancel their account because they didn't want to be contacted about payment the Parts Manager took over collections, however, when many became past due the responsibility was dumped back on Accounting. I have now given a monthly bonus/incentive to the A/R Clerk and W/S Salesman based on how quickly the accounts are collected. They are given an amount which decreases with time. Within 30 days they get the full incentive, 30-60 it drops by 1/3, 60-90 by 2/3, 90-120 they get nothing. It is amazing how they are working together as a team and communicating to get it done. An unintended consequence is the W/S rep is paying more attention to his customers and visiting them more which is also helping.