

# Analysis of parts emporium inc

Business



Parts Emporium Inc. is a whole sale distribution center of automobile parts which was founded by two auto mechanics; Dan Block and Ed Spriggs. In fifteen years time, it steadily grew to become one of the largest independent stores for auto parts in north central region of Chicago. The shift to the larger warehouse situated in Chicago's south side, facilitated storage for more inventories and allowed them to expand their line auto parts. The increasing preference towards longer car ownership and wider choice of inventory, significantly contributed to the speedy growth of the business. The relocation to still larger premises in the suburban Chicago considerably helped to increase the utilization but the sales remained constant. The founders, therefore, hired an outside manager to improve the performance.

The new manager, Sue McCaskey found that the firm did not have well defined inventory system that could track the sales and customer trend towards specific auto parts and services rendered. While the physical verification of the inventory was carried out regularly but the lack of necessary records made it difficult to predict the stock of requisite parts that would be required by the customers. These were the major factors for the stagnant sales performance.

McCaskey studied the inventory and sales pattern for two of the products; exhaust gasket and drive belt to show the advantages of having good inventory and sales management system that would help identify the short inventory of the products that have good demand. The information thus generated would promote better management of the inventory. Sales and purchase are vital element of effective distribution center. It would therefore, help device strategies and plans to increase its performance outcome. (278)

Reference

Case Study. Parts Emporium.