

ACTION PLAN-

I will decrease YTD wholesale returns from 10% to 7% by August 31, 2024.

We will achieve this by tracking YTD wholesale sales and returns using Dynamic Report #442. This report will be monitored monthly to determine what customers are of concern and to what degree. We will have a monthly meeting to communicate our findings (among other things) to parts personnel.

We have a good rapport with most of our customers, so we will start by communicating with them the consequences of excessive returns to us. If we don't see a reduction in returns, we will increase restock fees. If we have a customer that is doing extremely well in both sales and return percentages, we can offer a limited time discount coupon as a reward. Tracking this will also have the added benefit of tracking wholesale GP and sales numbers and allow us to adjust discounts accordingly. Every effort will be made to retain customers, but as a last resort we will stop selling to that customer.

As this policy is enforced it will allow us to reduce obsolescence, and costly inventory write offs. It will also reduce days of supply and decrease the DP's investment. This will also free up valuable space in the parts department. This will allow our outside salesperson to focus on good customers and acquiring new customers.

If we are unable to reduce returns and become more efficient, we run the risk of stagnation, especially on the wholesale front.

I will be the one primarily responsible for running this report, but my assistant will have some input. Once the appropriate action has been determined the counter people and outside salesperson will be held accountable for implementation.

Applying this percentage to last year's numbers would have saved us \$73382.00 in returns and that is a number that just can't be ignored.