

I will develop a classification system to increase wholesale gross % by 5% by 7-1-24.

➤ Actions

We need to address the problem of low gross profit percentages of 16.4%.

All this will be done with the assistance of my parts managers.

Implementation will be done by me.

Nothing should be sold at less than 20% over cost, (I will set up the customers in CDK with the proper sale pricing and adjust every ¼ based on the tier system)

We will build a tier system to classify our customers and educate them on what that system is and how they can maximize. This will be based on sales volume, payment history, and returns.

Charging restocking fees. We currently do not charge any restocking fees. Also, we will always ask the body shop before purchasing an order if the insurance company is willing to pay a restock fee if the vehicle is a total loss.

Reward the good customers behavior by incentivizing them to have a return rate of less than 5%. We can review this by the ¼ and any customer that is below 5% Will be entered into a contest. We can always adjust the content of the contest based on what our needs are to maintain a healthy wholesale department.

We will build a flyer to pass out and email the customer's monthly showing current promotions updates on any contest that we are currently running.

➤ Tracking Progress

I will track this with DMS reporting and I will build an excel tool to track this the parts managers will be responsible for updating this every morning. These number will be reviewed and discussed weekly.

➤ Potential obstacles

Loss of current wholesale customer, Employee buy in on the new system, Economy issues, and customers not willing to pay restock fees.

- Potential Solutions We must be okay with losing some of our customers that are unwilling to participate. We go visit them and bring them some swager and food when delivering our new classification system. Employees will be shown and trained the importance of holding gross

in wholesale. We will keep an eye on our margins to insure we are staying ahead of inflation. We incentivize the customer that holds our guide of restocking with the contest and swager.

➤ Bottom line

An increase would add \$1,500 in gross per month.

➤ Conclusion

We should be able to run a profitable wholesale department. The staff will have clear expectations and training. We will find out who our loyal customers are. We will make meeting a priority and keep the staff engaged with our new process and guides.