

## Profit Centering/Expenses Action Plan

I will lower our Parts Department Expenses from 20% to 15% in 2 months beginning in August 1 through September 30 2024.

The benefit of achieving this goal will be an increased profit which will be invested in new inventory ideas which will increase gross profit.

The Consequences if this goal is not reached would be a loss in potential gross profit for the Parts Department and store as a whole.

This goal is important to me because of the growth potential it would bring to the Parts Department and store.

I will track my progress utilizing the NADA Guide for Profit Centering, by taking year to date gross subtracting expense to determine Net Profit. We will then be able to determine how much of our expenses impact our Gross Net Profit.

I will find the information in my Financial Statement, checking the Financial Statements once a month over the next two months.

Potential Obstacles:

The parts team giving out parts discounts which effect the parts Net Gross Profit.

High volume of parts returns will effect profits.

Staff overtime wages can effect Gross Profits.

Potential Solutions:

Advise our parts staff to avoid giving parts discounts.

Coach Parts Staff on ordering the correct parts the first time to avoid returns.

Keep staff overtime wages to a minimum.

The Potential Financial Impact would be \$1,000, \$2,000 or higher.

I will make sure the parts staff does not fall back into old habits by checking their daily parts sales for discounts and other discrepancies.