

My goal is to fix our Wholesale parts operation. I want to add structure and process by the end of June 2023.

To achieve this goal there must be structure and bodies added to our operation. Currently we have three front counter people. All have been there for 20+ years. They all have their “book” of people they work with. There has never been any evaluation of who our best wholesale customers are. They are permitted to discount with no management approval. In short, we must do a deep dive into our wholesale operation, similar to the one we just did in our group project and make the changes.

- a. We currently have only one delivery driver. We need to add one initially and perhaps a third one down the line. We are not able to deliver parts efficiently; the ripple effect is obvious.
- b. We have lost two receiving clerks in the past 6 months because we are not paying them well. This is creating a backlog and mass disorganization. Parts are being logged in as received and not making it to designated SOP area and are piling up in shipping and receiving.
- c. Without monitoring body part returns we have no idea who is costing us more money than we are making on them.
- d. We are on track to leave close to \$624,000 of additional GP on the table this year. We must put into place a discount metric. I think we should target our best accounts to receive the discounts and create tiers. Any discounts to customers not falling on the approved list will require pre-approval by the Parts Manager.

Once we get some of this structure in place, we should review the results and consider hiring a dedicated wholesale manager to service our top-tier clients and continue to grow the business.

I have already asked my Parts Manager to run a report similar to the one used in our case study. If a similar report cannot be run in CDK we will start by creating such a report. This report should be run monthly. We should also review closed tickets on a weekly basis to ensure the counter people are following the new discount structure. They must stick to the list of preferred clients or obtain preapproval from management. We will monitor the SOP's logged into the system and how quickly we deliver them to our wholesale customers. This will result in happier customers and may also reduce returns; customers waiting too long will surely find their parts elsewhere and eventually take their business elsewhere.

Our biggest obstacle is getting approval of additional head count. Our GM is stuck in Covid days and has been resistant to the concept of spending money to make money.

Another obstacle is teaching an old dog new tricks. People always resist change, and this will be very disruptive to the counter people who have operated with autonomy for a very long time.

Solutions: Run the reports you have introduced me to and prove to the GM the money that is being left on the table warrants the head count.

Solution: Review the counter people's pay plan and have a financial reward for helping to increase GP.

I believe the bottom-line impact of achieving this goal would result in an additional \$30,000 (conservatively) by the end of June and possibly \$300,000 by year's end.

Inspect what I expect. The reports that we put into place should be run monthly. We currently don't have structured management meetings, and this too should be instituted. We have two other stores and

I believe we should get the fixed operations managers together once a month to review processes, what is working and where we need to see improvement. If we put the necessary reports into place and formally review them once a month as an organization, it should keep everyone focused on maintaining structure. Timely reviews will enable us to hold people accountable. It will also allow us to see where we need to improve or hopefully bring to light areas where we may build on success.