

Parts Wholesale Action Plan

I will increase wholesale gross profit % of sales from 19% to 25% by December 31, 2023.

Benefits of Achieving Goal:

- More net profit for dealership.
- More departmental profit.
- Better customer service (must do this if charging more).

Consequences of Not Achieving Goal:

- Closing wholesale business because not profitable.
- Competitor shops having advantage because they are paying lower markups.
- Need to make up sales in other categories to cover dept. expense.

Obstacles:

- Keeping wholesale customers when charging them more.
- Longtime employees with relationships with customers.
- Can we back up higher prices with better customer service?

We need to overcome the obstacles we face by focusing on quality customer service to our wholesale customers. We need to implement priority delivery and work on the relationships we have with each account.

First steps:

- Meet with each employee in parts department and make sure they understand what markup factor is needed to obtain desired gross profit percentage.
- If wholesale customer is paying less than what we will be charging, have parts employee meet with them and explain why we need to charge more.
- Follow up each month to make sure we are providing quality customer service and not losing accounts.