

I want to accomplish a 14% vs 15.10% return rate on ONE of our wholesalers (Carstar) by year end 2023.

This aligns with my dealers vision by retaining more gross profit within the department of parts. It will also start training the local body shops that there is a "small" restocking fee that Honda charges when parts go back. We will gain a small chunk back from a bodyshop that we do a decent amount of business with and therefore bring down our return rate and increase our GP%

The consequences of not achieving this would be tarnishing a potential relationship and losing business. This is why the small restocking charge is in order.

I have created a table to show our rolling 12 month period along with a table to show our return rate and our objective numbers in which we need to acquire to hit certain targets. I have submitted this to our parts manager for some further feedback. He can utilize this table for potential new accounts that we acquire, example; with a new account he could potentially charge a higher "restocking fee" than an old account or if a wholesaler of ours ends up on the wrong side of the numbers for two many months out of the year we can result back to the "table" to reassess.

The spreadsheet can be used for all of our wholesale accounts to assess the health of each individual account.

This is something that will be filled out during the statement period of each month (7th - 10th).

By simply charging a restocking fee of 7% to this particular vendor (Carstar) we would produce an extra \$1500 in Gross profit bringing our GP% to 16.68% vs 15.39% and our Return Rate for this vendor would drop from 15.10% down to 14%. I know it seems small but it's something that gets our foot in the door and could lead to more changes in the future. \$1500 is 20% of our total Net profit for the month of JUNE!