

## LYNNWOOD HONDA WHOLESALE ACTION PLAN

Objective: Increase the Wholesale GP % of Sales to 18.75%

### Background:

From 2021 to 2022, we lost sales from several of our large wholesale accounts to another Honda dealer who undercut our pricing by 1%. This occurred during a transition period from a long time parts manager to a new manager.

Wholesale GP & of Sales has decreased from 19.37% to 18.13% YTD. This decrease is primarily the result of re-capturing sales from 2 large group accounts at lower negotiated markups.

### Action Plan:

Lynnwood Honda has invested in inventory, delivery vehicles & personnel to provide timely and efficient service to our wholesale customers. Our vans deliver twice a day to shops in Snohomish and King Counties. In addition, we deliver parts to outlying areas via the WSL group. We will pursue sales to the following groups with emphasis our ability to deliver parts quickly thereby reducing downtime for their technicians & promoting their customer's satisfaction:

#### 1. Current independent shops with a decline in sales YTD

Parts Manager visit/lunch with shop manager to find out the reason for the decline

#### 2. Additional Alaska shops.

Offer bird dog fees to existing Alaska customers

Higher GP% opportunity (they will pay higher markup)

#### 3. Market to area independent repair shops not currently buying from us.

Parts Manager visit w/swag

#### 4. Explore the feasibility of hiring an outside sales representative

### Monitoring:

1. Weekly sales tracking vs desired increase for existing customers

2. Weekly new customer reporting including projected sales.

Data	YTD	Average Month	Increase	Goal
Sales	1802592	257513	25750	283263
GP	326780	46683	6438	53120
GP%	18.13%	18.13%	25.00%	18.75%

#### Independent Shops on the Decline

Lee's Automotive	70000	
Todd's Service	15000	
Bret's Independent	14000	
Kirkland Auto Repair	9000	
Stack Auto	5000	
Showcase	<u>10000</u>	
YTD Sales Decline	123000	
Average Monthly	17570	
Additional Sales Needed	<u>8180</u>	
Total Sales Needed		25750