

## CollisionLink's Upfront Pricing allows you to set up pricing three ways:

Non-OE List Price minus a % | Dealer Cost plus or minus a % | and OE List plus or minus a %

Although successful pricing strategies vary across markets, OEMs, part type, and individual dealers, below is a walk-through of a few common examples that can be referenced when defining your dealer's pricing strategy based on average US pricing data:

### Non-OE Estimate List Price Formula for Parts Eligible for OEM Reimbursement (PMA Eligible)

- On average, OE conversion parts eligible for OEM reimbursement sell 25% below the Non-OE List Price.
  - ♦ Please refer to your OEM specific details as some OEMs allow for more aggressive pricing options.
- If you create a Non-OE List Price Formula minus 25%, you should be competitive.
  - ♦ Some shops receive larger discounts from their vendors and may require a more aggressive discount.
- Setting a *Minimum Markup %* will ensure your Upfront Pricing Formula does not lead to selling parts at a loss. Setting your Minimum Markup % to Cost - 5% should lead to an acceptable return once the OEM's reimbursement is factored into the total selling price, but this needs to be reviewed based on your OEM and dealer's business rules.

#### Example based on above:

- ♦ (Non-OE Estimate List Price Minus 25%) / Minimum Markup % = -5%
- ♦ Using the formula above and dealer cost for the OE Part is \$100 the shop will see:

Type	Description	Qty Req	Est. Price	OE List	Upfront Price
AM	Frt Bumper Cover	1	\$120.00	Buy OEM: \$166.00	\$95.00

- ♦ \$120 - 25% = \$90, with a Minimum Markup % of -5% the displayed Upfront Price is \$95

## CollisionLink's Upfront Pricing

### Dealer Cost Plus or Minus Formula for Parts Eligible for OEM Reimbursement (PMA Eligible)

- On average, OE conversion parts eligible for OEM reimbursement sell to shops at Dealer Cost – 5%.
  - ♦ Please refer to your OEM specific details as some OEMs allow for more aggressive pricing options.
- Creating a Dealer Cost – 5% should lead to an acceptable return once the OEM's reimbursement is factored into the total selling price.
  - ♦ This needs to be reviewed based on your dealer's business rules.

**Example based on above:**

- ♦ Dealer Cost – 5%

Type	Description	Qty Req	Est. Price	OE List	Upfront Price
AM	Frt Bumper Cover	1	\$120.00	Buy OEM: \$166.00	\$95.00

### Dealer Cost Plus or Minus Formula for Parts NOT Eligible for OEM Reimbursement (Non-PMA Eligible)

- A major benefit of CollisionLink is that dealers see 100% of the estimate on every CollisionLink order, and many dealers are very successful at converting not just OEM program parts but also non-OEM program parts to OE part sales.
- On average, parts not eligible for OEM reimbursement sell to shops about 10% above dealer cost.
- Creating a Dealer Cost + 10% or even a slightly more aggressive one should lead to an acceptable return.
  - ♦ This needs to be reviewed based on your dealer's business rules.

**Example based on above:**

- ♦ Dealer Cost + 10%
- ♦ In this real life example, dealer cost is \$175.00.
- ♦  $\$175 + 10\% = \$192.50$

Type	Description	Qty Req	Est. Price	OE List	Upfront Price
AM	Frt Bumper Cover	1	\$256.00	Buy OEM: \$303.07	\$192.50