

## Standard Auto Wreckers: 2 New Announcements

***1) Standard Auto Wreckers is pleased to introduce a free new service to our wholesale customers:***

**Customer Direct Parts Shipping** – We will ship our parts to your customer via couriers on your behalf.

This program works as such: We will ship parts direct to your customers as though it is coming from your facility. Complete anonymity is assured. Simply give us your company stickers and we will affix them to properly packaged orders ensuring a quality shipment as though it came from your own facility. *You will know your complete costs up front and you can judge your profit margins accordingly!*

This program includes:

- Free placement of your company stickers on generic boxes.
- Free packaging and cleaning of the parts to ensure for a quality shipment.
- Parts double-checked for order accuracy.
- Free 3<sup>rd</sup> party billing to you, our customer. (No invoice to the customer/end user).
- The same no hassle returns policy. (Less applicable shipping charges).

The benefits include:

- Faster service for your customer.
- Less unnecessary handling of product for your facility.
- Less shipping expenses for your facility. Including packaging materials and delivery expenses. Less duplication! And reduced steps in order to make the sale.
- An overall decrease in the return rates for parts in that parts will be delivered in a timelier manner.
- Increased profits for your facility!

Getting started is easy. Just send us your company packaging stickers and / or any other company information you wish to go with your parts and we will get to work for you. For more information please contact our shipper, Anpal 1-800-668-5014. ext. 396

***2) Standard Auto Wreckers is pleased to help set the record straight on the Pre-Paid Shipping Issue.***

**Is the cost of shipping driving you mad???** – Stop the insanity and get on board by implementing a Pre-Paid Shipping Program. Believe it or not you will be more than happy to sign that cheque to the freight couriers!

Pre-Paid Shipping Issue: In line with the new and exciting direction that the industry is taking with regards to pre-paid shipping, Standard Auto Wreckers would like to make a few formal announcements. Effective immediately, we will only be receiving collect shipments on defective returns or on parts that were sent out in error.

Switching over to Pre-Paid Shipping is pretty simple and it works as such: All parts leaving the yard via courier will leave pre-paid unless it is a defective return part or a part that was sent out in error. All pre-paid parts invoices must have a designated freight charge on the invoice so the cost of the freight doesn't increase the value of the part and profit of the vehicle purchased. This makes the salesperson accountable for their actions. Accounting can easily interpret the freight bill and account for the cost of shipping. The company has an opportunity to make money on shipping. The cost of shipping then gets transferred down to the end user and the customer gets a sense of security knowing that you stand behind the quality of what you sell because you are willing to accept the responsibility of the freight cost. In the event that the part you ship is defective, the customer returns the part for a full credit. If the return is due to a lost sale (non defective part) then the part is credited (less the freight). The same process applies for all inbound freight. Only defective returns come in collect. Everything else should come in pre-paid. This way there is no hidden costs accumulated by the sales department and you can accurately monitor the profit made on every sale.

Once this program is up and running at each individual facility the benefits you will expect to see are:

- You will know your costs on shipping.
- You will be able to make money on shipping. (Or at least cover your costs).
- You will be able to pay commissions on shipping profits!

Long story short, with Pre-Paid Shipping you will be aware of how much money you took in on freight charges (when billed correctly by the sales staff) and then you can subtract this dollar amount by your shipping invoices (monthly) and this will tell you where you stand in terms of profit and loss on your shipping via couriers. This is truly the best way to run your shipping department.

Standard Auto Wreckers Point of view: We are only interested in buying parts from those yards that adhere to the above policy. (Throw out your pre-formatted waybills denoting collect shipments). So, if you are unwilling to ship pre-paid or require a further explanation in addition to this memo please let a member of our management staff know and we will be happy to discuss this with you. Otherwise, please cut us off from purchasing parts from you until you change your policy. We are simply not interested in doing business with you in this way.

The big problems with collect shipments are that you have no idea of your costs. You anticipate one amount for shipping charges and then your shipping bill comes in for a much higher amount. Therefore it is impossible to orchestrate your costs on collect shipments and it is just not a good way to do business.

Again, if anyone has any questions please feel free to contact us at anytime, 1-800-668-5014.

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