



Struggling to Keep Up with **Price List Updates?** Here's How to Stop Money from Going Out the Door





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Many dealerships struggle with the process of updating their price lists, and the consequences of not staying on top of these updates can be significant, especially when it comes to your profitability.

In this guide, we'll explore the importance of keeping your price lists up to date, the impact that outdated price lists can have on your dealership's profitability, and the benefits of using a system like Ideal to manage price list updates that will save you time, reduce errors, and increase revenue.

Why is it important to update price lists?

Price lists are updated by suppliers as they adjust their prices, and if your dealership is not keeping up with these updates, you may be selling products at prices that are not profitable.

Let's say that a dealer sells lawnmowers, and they have a popular model that they usually sell for \$500. However, the manufacturer recently increased the wholesale price of that model to \$550, which means that the dealer needs to adjust their price accordingly to maintain their profit margin.

If the dealer doesn't update their price list and continues to sell the lawnmower at \$500, they will be losing \$50 on each sale. If they sell 100 lawnmowers without updating their price list, they will lose \$5,000 in total profit. This loss could have been avoided if the dealer had updated their price list to reflect the new wholesale price.



In addition, if the dealer continues to sell the lawnmowers at the old price, they may attract more customers who are looking for a deal. This could lead to increased demand for the product, and the dealer may sell even more lawnmowers without realizing that they are losing money on each sale.

How do outdated price files impact my margins on parts

It's even more important to maintain profitable margins when it comes to parts because 85% of parts sold at a dealership are less than \$20. Even a slight increase in the cost of a part that costs less than \$20 can result in a significant loss.

Before Price Update:

	Before OEM Price Update	After OEM Price Update
Purchase Price	\$5	\$7
Sell Price	\$10	\$10
Profit Margin	\$5	\$3

NOTE: If the price of the part increases to \$7 and the dealer doesn't update the selling price, the profit margin is only \$3. The dealer must sell the part *more than three times* to recover the cost of *one* part.

For example: if a part is bought for \$5 and sold for \$10, the profit margin for the dealership is \$5. To recover the cost of the part, the dealership must sell the part three times.

This is because the cost of the part is \$5, and the profit made from selling it once is \$5. Therefore, selling the part three times will result in a profit of \$15, which is enough to recover the cost of the part.

However, if the price of the part increases to \$7 and the dealership fails to update the selling price, the profit margin decreases to \$3. This means that the dealership needs to sell the part more than three times to recover the cost of the part.

Therefore, failing to update the selling price of a part can result in a loss for the dealership, even if the price increase is small.

Read Next: [The Benefits of Tracking Dealership Performance Metrics](#)

How do I update my price lists?

Updating price lists can be a very time-consuming and manual process involving several steps.

First, you must get the updated pricing information from the manufacturer or supplier through the vendor catalog, email, phone call, or by checking their website.

Once the updated pricing is obtained, you need to keep track of it somehow – usually, a spreadsheet or document that lists the products and their updated prices.

The second step is to verify the accuracy of the updated pricing information. Dealers should ensure that the pricing information matches the products they carry and that there are no errors or discrepancies.

Once the accuracy of the pricing information has been verified, dealers can then make changes to the existing price list to reflect the updated pricing information.

The final step is to communicate the updated pricing information to the sales team and distribute the updated price list to customers.

The sales team should be informed of the changes so that they can answer any questions that customers may have. The updated price list is made available in-store, online, and through other channels.



It's not uncommon for dealers to have difficulty keeping up with price files because they have a large number of vendors with constantly changing price lists. Depending on the size of the dealership and the number of products you carry, this process may be even more complex and entail additional steps.

How do I know if my price lists are impacting my profitability?

Manually updating price lists can be a time-consuming and inefficient process, taking away from other important aspects of running a dealership and decreasing overall productivity.

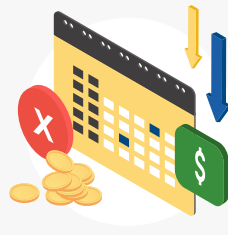
For dealers that do not use a [dealership management system](#), it may be difficult to recognize the significance of the problem until the end of the year. They may come to the realization that despite selling thousands of parts, they are not making any money. This is often because they didn't sell the parts at a profitable margin.

If your dealership is not updating its price lists regularly or still doing it manually, the impact on your profitability can be significant.

How Outdated Price Lists Can Affect Dealership Profitability:



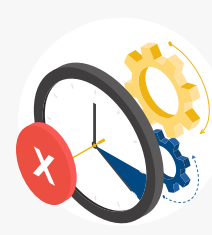
Decreased Margins



Lost Revenue



Increased Costs



Inefficient Processes

Here are some ways that outdated price lists can affect your profitability:

- 1. Decreased Margins:** If you're selling parts at prices that are not profitable for your business, your margins are going to suffer. This can make it difficult to maintain profitability in the long run.
- 2. Lost Revenue:** If you're not updating your price lists regularly, you may be losing revenue by selling parts at prices that are lower than they should be. This can add up quickly and impact your bottom line.
- 3. Increased Costs:** If you're selling parts at prices that are lower than they should be, you may be incurring higher costs to restock or purchase those parts. This can add up quickly and impact your profitability over time.
- 4. Inefficient Processes:** If you're manually updating your price lists, it can be a time-consuming and inefficient process. This can take away from other important aspects of running your dealership and impact your overall productivity.

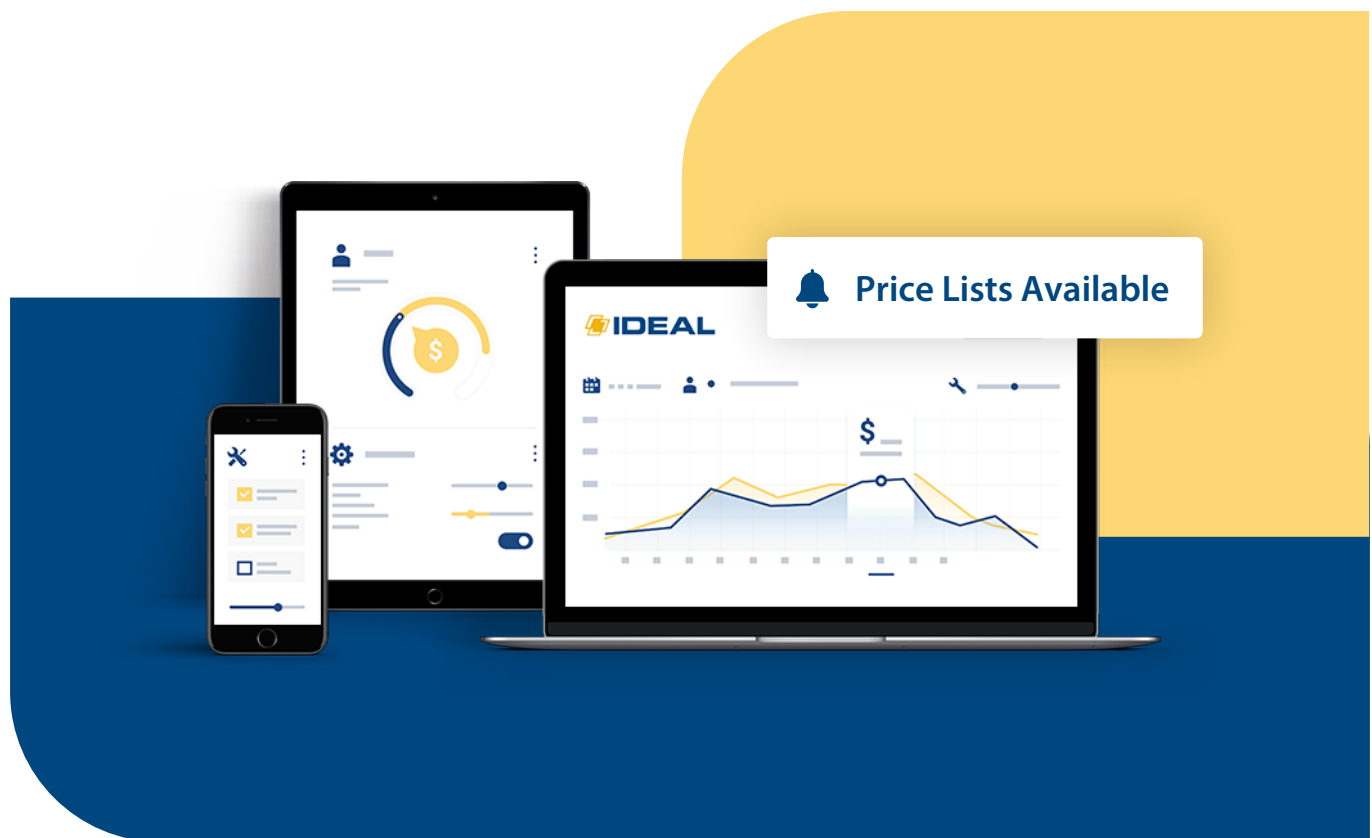
Read Next: [Key Dealership Performance Metrics You Should Be Tracking](#)

How can Ideal help with managing price files to boost dealership profitability?

A [dealership management system](#) such as Ideal can assist you in staying up to date with the most recent price file updates.

With Ideal, price lists are directly received from the OEM. When an OEM updates its price list, the dealer is notified that there is an updated price file, and they can decide to purchase it or wait for the next update. If they decide to purchase, the price file is downloaded, and the dealer can go in to upload it.

Since OEMs can have thousands of parts, loading a price file can be a time-saving solution for adding all the parts at once instead of manually adding them one by one. This ensures pricing accuracy for the major vendors and even for special OEMs. The dealer is notified that the price list is available and can choose whether or not to update it based on its importance to the dealership.



Dealers using Ideal are not required to update all their price files and can opt to update only some as often as they like. They can also choose to update some automatically. The decision to update price files is left to the dealer based on their business needs and preferences.

Ideal sets recommendations, but ultimately, it is the dealer's decision to update the OEMs they do the most business with, while for others, they can be updated periodically.

Here are a few other benefits of using Ideal to manage your price lists:

1. **Reporting:** Ideal's reporting lets you see which parts are the most profitable and update the price files of those vendors accordingly. This lets you focus on buying from the most profitable vendors. Dealers can use the volume report in Ideal and select each vendor to see which ones are generating the most profits.
2. **Auto-Shipped Updates:** Ideal auto-ships your price lists. All you have to do is simply go into the "Load Price Lists" section of Ideal and load the files. This ensures that your inventory is always priced correctly and that you're making a profit on the parts you sell.
3. **Increased Margins:** By ensuring that your inventory is priced correctly, Ideal can help you maintain higher margins on the parts you sell. This can make it easier to maintain profitability over time.
4. **Improved Efficiency:** By using Ideal's auto-ship feature, you can ensure that you never miss an OEM's price file. With this feature, you can quickly load an entire file within minutes, eliminating the need for manual work. This can allow your team to focus on other important tasks, ultimately improving your overall efficiency.
5. **Improved Customer Service:** With accurate pricing and inventory data, you can provide better customer service to your clients. This can lead to higher customer satisfaction and increased customer loyalty.

Keeping your price lists up to date may seem like a small task, but it can have a big impact on your dealership's profitability. Outdated price lists can lead to decreased margins, lost revenue, increased costs, and inefficient processes.

However, by using a system like Ideal to automate your price list updates, you can ensure that your inventory is always priced correctly and maintain higher margins on the parts you sell.

Read Next: [How OPE Dealers Use Ideal to Boost Dealership Profitability & Productivity](#)

Frequently Asked Questions:

1. What is a manufacturer price list?

A manufacturer price list is a document that outlines the prices of products offered by a manufacturer. It is an official document that is used by retailers and distributors to order products from the manufacturer.

2. How often are manufacturer price lists updated?

The frequency of updates to manufacturer price lists varies depending on the manufacturer. Some are updated on a monthly basis, while others are updated quarterly or even annually.

3. What manufacturer price lists does Ideal offer?

For the complete list, [click here to see our Manufacturer Price Lists](#).

4. Where can I view and order price lists online?

You can order price lists by visiting this link: <http://www.idealcomputersystems.com/pricelists.asp>



If there are any lines that you'd like to add to the database, or if you have any questions about your price lists, including whether or not you have the notify option selected in Ideal, please let us know by **calling 800-737-1620** and selecting **Option #4** or emailing pricelists@idealcomputersystems.com.