Finding the profit hiding in the parts bin

A well-run outdoor-power-equipment dealer grew annual profit by nearly a third — and moved from the middle of the industry pack to the top — without selling a single extra machine.

ANNUAL NET PROFIT

$177K → **$231K**

BEFORE WITH VISTA

+$54K

a year · +31%

pure margin from the parts bin — no new sales

THE DEALER'S POSITION · BEFORE → AFTER

	Before		After
Net profit margin	4.0%	→	**5.2%**
Parts gross margin	36%	→	**43%**

middle of the pack → **top performer**

A four-season outdoor power equipment dealer — roughly $4.5M a year (mowers in summer, snow in winter), about $3.2M of it wholegoods. Benchmarked against peer dealers, it prices right at the regional averages for its size and mix. A normal, well-run shop — not a turnaround.

THE PROBLEM

The owner's instinct was to move more machines. But equipment is the wrong lever — even with the finance back-end it's ~18%, MAP-bound, and a click away for the customer. The real margin sat in parts, accessories, and bulk — ~36% and turning daily — under-priced item by item, with nothing on a report to say so.

WHAT VISTA DID

Read the dealer's own catalog — real cost, retail, units sold. Set aside items it couldn't trust, skipped everything MAP-protected, then sorted what was left by how fast each item turns and how likely a customer is to know its price. Several lift plans were modeled against the dealer's own numbers until one landed that the owner was comfortable putting in front of customers. Vista recommends; the dealer approves; the record documents.

WHY IT MATTERS

Industry-wide, unit volumes are falling year over year. You can't sell your way to this money — it would take ~80 more machines. Margin is the lever that's left, and it's the one Vista pulls: a normal dealer becomes a top performer without growing at all.

10 real items Vista repriced

The store's own cost, retail, and yearly units. Each new price is set to a margin target and then rounded under a consistent rule, so the final price blends margin and rounding. Price-sensitive, MAP-protected and on-target items are left alone.

Product	Cost	Retail now	Margin	Units/yr	New price	New margin	Added GP/yr
Mower blade, 20.5" notched	$18.89	$29.99	37%	36	**$31.99**	**41%**	**+$72**
Air / hydraulic filter	$41.67	$60.99	32%	6	**$69.99**	**40%**	**+$54**
Deck drive belt (V, w/ sleeve)	$98.76	$157.99	37%	11	**$164.99**	**40%**	**+$77**
Bar & chain oil, 1 gallon	$21.66	$28.99	25%	25	**$33.99**	**36%**	**+$125**
Engine oil, 1 qt	$8.65	$12.40	30%	26	**$14.99**	**42%**	**+$67**
Trimmer line, .095" pro, 114 ft	$11.99	$16.99	29%	6	**$19.99**	**40%**	**+$18**
Wiring harness kit	$289.21	$432.60	33%	29	**$482.99**	**40%**	**+$1,461**
Lawn fertilizer + grub, 50 lb	$43.97	$58.48	25%	105	**$67.99**	**35%**	**+$999**
Rock salt, 50 lb bag	$5.75	$7.75	26%	250	**$8.99**	**36%**	**+$310**
Spindle assembly w/ hardware	$47.63	$68.26	30%	24	**$78.99**	**40%**	**+$258**
These 10 items							**+$3,441 / yr**

Rounding **adds** margin — the mower blade lands at 41% and the engine oil at 42% because the rounding rule adds the last point on top of the target. A few items wanted a larger increase than the agreed plan allowed this cycle. These 10 add ~$3,400/yr; across all ~590 under-priced parts the same discipline adds **~$54,000**.

The lesson. The profit was never going to come from the $3.2M of equipment — it came from pricing the parts and bulk that turn every day. Manage margin department by department, protect what the market can see, and press where it can't. Vista recommends, the dealer governs, and the record proves it out.

Item cost, retail, and units are the dealer's actual figures. Margin recovery measured after implementation, at constant sales volume. Dealer identity withheld.