

## **PARTS CLASS 364, WEEK 1 SESSION 2 WHOLESALE CASE STUDY, GROUP 1- SHANNON, DAN, JEFF, SAM, MAUREEN**

**CLASSIFICATION SYSTEM:** We broke down the 12 wholesale accounts by a combination of YTD Sales, YTD GP, YTD Net, and account status and compared trends to prior year.

**TOP 3:** 1) VanaMax 2) M&B Collision 3) H&T Ford

**BOTTOM 3:** 12) JD Auto Leader 11) M&D Used Cars 10) Accidents Happen

### **OPPORTUNITIES FOR IMPROVEMENT:**

-SEO/GMB. No more word of mouth, actively engage the internet with ads, social posts, etc....

-Internet e-commerce parts. Have your part's dept site ready for web based customers with search engines, easy check out and shipping options, etc..

-Hire parts outside sales. Managing e-commerce, website leads, making outbound phone calls

-Expand delivery radius. Expand the range of potential customers

-Extend credit to all current and credit worthy customers. Assuming they can and will pay, extending credit to all that qualify will enable additional parts purchases

-Change past due accounts to COD. NO past due

-Offer volume discounts relative to account on additional business growth. For those customers over \$10k monthly in sales, establish stretch goals with a given price reduction if attained. Ex \$15k monthly wholesale sales for current customer, if pushed to \$20k mo, addition 5% off. For accounts under \$10k mo, offer staggered "Parts Club" levels at \$5k, \$7500, and \$10k++ for discounts and services, ie priority, delivery options, etc.. Re-negotiate margins with small accounts. Discounts to be based on volume.

For VanMax, 2.5% discount if monthly sales jump from \$22,847 to \$30,000. Priority delivery, extend credit.

For M&B Collision, 1.5% reduction with mo sales at \$25,000, credit extended, priority delivery

For MFD Car Doctor, offer 1% at 10k and 2.5% at \$15k monthly. Great Business, we just need more.

For B&L All Makes, Price match competitor who is taking our business, incentive to come back.

- Make deals with local auto parts/body shops/insurance agents. Solicit municipalities, churches or any large fleet maintenance companies.
- To immediately increase gross profit we will be packing each parts cost by 7% and then adding a 16% retail mark-up to each part. This pack will provide a higher gross profit percentage and compensate for all volume discounts given. This will increase the gross as a percentage to 23%.