

# Wholesale Review

# Group 5

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## Describe your classification system;

*EVERY customer is your best customer, but not every customer is the ideal customer. There's no telling where the growth will be.*

### **Method for classifying the largest accounts:**

*Largest Customer Account = Highest YTD Gross, which is not on this report (This is the total gross profit we have generated after expenses / returns)*

*Look at a combination of MTD sales and YTD sales along with G/P. (Our system subtracts their returns from their sales total)*

*The higher the YTD sales the better, but this must be matched with a healthy GP.*

*Customers with low YTD/MTD sales would be considered smaller accounts.*

*Customers with frequent overdue bills or Low G/P - We would consider these problem accounts that require follow up / review. (Low G/P could be related to the competition)*

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## Identify your top three and bottom three customers

### **Top 3**

**Vana Max** – Highest GP, Highest YTD sales, acceptable return rate.

**M&B Collision** – Good GP, Good YTD sales, acceptable return rate, Growth over last year.

**H&T FORD** – Good GP, Good YTD sales, acceptable return rate.

### **Bottom 3**

**JD AUTO** – No sales, overdue account, huge decrease in business over last year.

**ACCIDENTS HAPPEN** – Low sales, huge decrease in business over last year.

**AAA AUTO** – Low sales, Decreasing numbers over last year.

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## Ideas for Improvement:

- **Build relationships** – Visit stores, call customers, buy lunch / doughnuts. Make conversation when orders are placed. (do not be a robot)
- **Control margins better** – Seems to be no structure on their pricing.
- **Overdue accounts** - Make them COD
  - Control your Charge accounts
- **Implement incentive programs for volume and payment on time**
  - Up to 5% off total bill for on-time payment.
  - Volume discounts that are earned after certain dollar figures based off YTD.

- Tiered discounting – ICBC PRICING 25% on cost, Wholesale 15% off list.
- **Restock fee** or conversation about returns and policies helps to minimize returns.
- **Visit other shops for feedback.**
  - What could do to improve level of business?
  - What could be done to improve the level of service?
  - Building a more personal relationships with staff
  - Offer possible training in our systems (parts bridge or other price matching options)
- **Build value in OE parts** – OE is simply better than aftermarket.
- **Higher level of service**
  - Answer phones
  - Dedicated phone line for wholesale
  - Train staff
  - Stock better
  - Have designated wholesale staff (if required)
- **Assess stocking levels** - Make sure they are aligned with wholesale customer's needs.
- **Have the correct staff to support wholesale business effectively and efficiently.**