

West Coast Ride or Die Case Study

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Top Three Customers: H&T Ford, M&B Collision, Vana Max

Why: We choose these as our top three based on overall sales. The amount of volume that we do with each of these accounts is pretty significant compared to the other accounts. We also aren't chasing these customers around for payments.

Bottom Three Customers: M&D Used Cars, Accidents Happen, JD Auto Leader

Why: These were our bottom three based upon overall sales as well as GP% and payment history. Although M&D Used cars has a decent amount of sales over the last year, the GP% is low and they aren't paying us on time.

How we will grow the wholesale business:

Based upon some of the year over year sales, we feel like we may be missing some business to competitors, or just not nurturing the wholesale accounts like we should be. We would look at focusing on the accounts we currently have first. Our plan is to visit each of the accounts and taking some donuts and introducing an incentive plan that we would be rolling out for our wholesale customers. For our higher volume accounts, we would offer a NET30 option as well as giving discounts based upon their spend and keeping current with their accounts. For some of the smaller accounts, we would still keep them on COD, but once they reach a certain sales volume tier, they would be eligible for a NET30 account.

We would also focus on our parts employee training and delivery. Understanding that the wholesale customers need the right parts in a timely manner in order for them to get a quicker turn around. We would be training our parts advisors like we do our sales staff. They will continually be working on their phone skills and parts knowledge in order to give the wholesale customers the value and experience necessary to continue growing our business.

Once we have reestablished our relationships with our current customers, we would start reaching out to new wholesale customers. We would focus on Body Shops, Rental Car Agencies, Independent Repair Facilities and Independent Auto Dealers. We would do a market analysis and really focus on making sure our pricing is competitive. We don't want to price ourselves out of the market, but we also don't want to short change ourselves by discounting too much either.

With the changes made and areas of focus, we believe that our wholesale GP% and overall profit will increase within 60 days and we will have a much more successful wholesale department.