

N382 East 3

NADA Wholesale Group Case Study

Classification system:

YTD Sales/Prior year

Gross profit %

YTD returns

Top 3 customers:

1. Vanamax -Enormous sales, high gross and COD terms
2. M&B Collision-Also high sales and gross low returns and COD terms
3. H&T Ford-High sales, Gross is lower but still good and low returns.

Bottom 3 customers:

1. JD Auto Leader-Low sales and past due receivables
2. Accidents Happen-Sales slump and low gross.
3. M&M Auto sales-lower sales but most importantly gross cut in half

Site visits/sales calls to dive into these numbers and find out the reason for some slumps and offer the following incentives:

- We would like to come up with a Tiered Wholesale Discount System rewarding volume.
- To be measured quarterly

Tier 1 – 20% over cost - wholesale account needs to spend at least \$45000 per quarter to qualify

Tier 2 – 25% over cost – wholesale account needs to spend at least \$30000 per quarter to qualify

Tier 3 – 20% over cost – wholesale account needs to spend at least \$22500 per quarter to qualify

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We will be sending out postcards promoting our wholesale business to all the qualified shops/businesses in our AOR

Our Dedicated Wholesale Parts Consultant will be given the list of Businesses we sent postcard to – he is to follow up with every one of them, incentive for each new wholesale account created to be offered to the Wholesale Consultant.

We also talked about penalizing Returns – anything over 15% worth of returns on any given quarter to be penalized in form of a 5% over cost price increase for that quarter.