Wholesale group case study.

Time frame for improving the dealer wholesale department is 3 months.

Top 3 Performers

1) Top performing wholesale customer is VanaMax. At MTD GP of 24% and YTD GP of 25%, they are well above the 20 group average of 22%. They are also bought the most at $255103 for the year. Account is current. Great clients!
2) M & B Collision will take second place with $192762 of YTD sales. Low returns at 12%. YTD sales gross is 18.60% which is below the 20 group however above the breakeven point. So I would consider keeping this relationship going.
3) MFD Car doctor comes in #3 position with GP at 20.20% above the breakeven 17%. They spend a respectable amount of sales at $87321 and have an account which is current at Net30.

Bottom 3 Performers

1) M & D used cars spend a respectable $94439. Although they have a very low return rate of 7.4%, at YTD GP of 7.6%, they are costing the dealership money. Also their account is overdue. This needs to be addressed immediately
2) M & M Auto sales would be next on the bottom performing wholesale with 7.00% YTD gross. They are well below the minimum requirement of 17%
3) Accidents happen would come at #3 with 11.8% GP. They are also spending lot less $$ at $7755 for the year. Prior year was at $51225.

Opportunities for improvement:

1) Import specialists are buying more this year vs last year at $22147. At a very low return rate, they also gross 20.3%. I would come up with an incentive program for them to buy more.
2) Speak to JD Auto Leader and collect the overdue money. Also find out why they are spending less money this year vs last. At $1155, JD must be doing business with another dealer. Try and get their business back. Also speak to AAAAAuto Collision. They are spending less money YOY.
3) Take a close look at the following 5 vendors and improve gross profit. They need to be producing at a minimum of 17% or higher.
4) Look through all parts wholesale invoices to confirm correct pricing was used for matrix if discounted sit with parts counter people and verify why.
5) Make sure we stock the correct inventory, based on FTFR reports so we do not have to buy parts from another dealership @ cost plus 10% and still give the same discount to our customer.

M & D Used car sales at 7.6%

M & m Auto sales at 7.0%

H & T Ford at 11.4%

Accidents happen at 11.8%

B & L All Makes Repair at 12.7%

Increasing Clients and overall wholesale operation

1) Have my parts manager or wholesale parts consultant visit local body shops and independent repair personnel once a week. Cold calls, leave business cards.

2) Check into manufacturer offered price matching program to offer aftermarket vs OEM options for body shops and repair centers.
3) Increase to 3 drivers. Look at parts manager wholesale component in pay plan and incentivize to bring more clients into wholesale.
4) Visit to the office and inspect state tax ids to make sure they are current with all clients. Also make sure the tax collected is correct.