

**NADA Class 384 - Wholesale Customer Case Study
Criteria to Determine Top 3 and Bottom 3 Customers**

Wholesale Customers	Ranked in Categories of Most Important to Least Important							Customer Ranking Based on Total GP
	1st	Minus Returns	New Total Sales YTD	GP	2nd	3rd	4th	
	Total Sales YTD				GP%	Return %	Acct Status	
VanaMax	\$255,103.00	\$25,510.30	\$229,592.70	\$57,398.18	25.00%	10.00%	COD	1
M&B Collision	\$192,762.00	\$18,890.68	\$173,871.32	\$32,340.07	18.60%	9.80%	COD	2
H&T Ford	\$188,829.00	\$17,183.44	\$171,645.56	\$19,567.59	11.40%	9.10%	Current	3
B&L All Makes Repair	\$108,734.00	\$11,525.80	\$97,208.20	\$12,345.44	12.70%	10.60%	COD	6
M&M Auto Sales	\$105,208.00	\$9,258.30	\$95,949.70	\$6,716.48	7.00%	8.80%	COD	7
M&D Used Cars	\$94,439.00	\$6,988.49	\$87,450.51	\$6,646.24	7.60%	7.40%	Overdue	8
MFD Car Doctor	\$87,321.00	\$12,224.94	\$75,096.06	\$14,643.73	19.50%	14.00%	Current	4
BP Customs	\$82,625.00	\$4,874.88	\$77,750.13	\$14,228.27	18.30%	5.90%	COD	5
Import Specialists	\$22,147.00	\$1,107.35	\$21,039.65	\$4,271.05	20.30%	5.00%	Current	9
AAAAAuto Collision	\$13,447.00	\$1,344.70	\$12,102.30	\$2,069.49	17.10%	10.00%	Current	10
Accidents Happen	\$7,755.00	\$635.91	\$7,119.09	\$840.05	11.80%	8.20%	Current	11
JD Auto Leader	\$1,155.00	\$11.55	\$1,143.45	\$228.69	20.00%	1.00%	Overdue	12

(Top 3 and Bottom 3 Choices Explained)

1. We ranked all customers in order of Total Sales - highest to lowest first
2. We then subtracted total returns from total sales to determine actual total sales
3. We then took our new total sales number and multiplied by our % of GP to determine GP values
4. Our highest GP customers ranked 1,2,3 (VanaMax, M&B Collision, H&T Ford)
5. Our lowest GP customers ranked 10,11,12 (AAAAAuto Collision, Accidents Happen, JD Auto Leader)

Classification System - Order of Importance

1. Total Sales
2. Gross Profit
3. Return %
4. Account Status

We based our top 3 and bottom 3 choices solely on total Sales & GP - We are top line motivated

We only used the facts that were provided to us - (there were no subjective decisions made)

We were fine with M&D Used Cars being overdue and ranked 8 over Import Specialists at 9 because of their GP ranking number

Things to improve:

Follow up on A/R - overdue accounts

Reevaluate profit margins to look for missed opportunities, particularly M&D and M&M.

Raise their profit margins to be more in line with your other accounts.

Evaluate the MFD Car Doctor account to determine why their returns are so much higher than the other accounts.

JD Auto Leader should be moved to a COD account.

Incentive Programs:

Incentivize a discount a 2% discount if returns are under 5% while issuing a restocking fee if returns are over 10% for the year.

Base discounts off tiered level of purchases. The more you buy, the better the deal.

Offer Complimentary Delivery to all wholesale customers

Drop off coffee and doghnuts monthly to your top wholesales accounts based on Total Sales