

# Wholesale Customer Case Studies

## Classification System

- First assessing the gross per client
- Do we have a good relationship?
- Are they paying on time?
- What is their means of payment? Better to have a Current account than COD?
- Landed on highest grossing and sales combination

## Top 3 Customers

1. VanaMax
  - a. highest Sales - highest GP - paid current
2. H & T Ford - 3rd highest sales - up \$58k YoY - Current Net 30
  - a. GP steady YoY
3. M & B Collision - 2nd highest sales - 5th in GP - COD and current
  - a. Reduced returns, increased GP YoY

## Bottom 3 Customers

1. JD Auto Leader
  - a. Lowest sales, overdue, down \$35k YoY, -97% in gross profit
2. M & D
  - a. Second lowest GP, overdue
3. Accidents Happen
  - a. Second lowest Sales, Gp is low, down \$43k YoY, down 84% in gross

## Opportunities for Improvement

- Set pricing structure to earn 24% GP for all accounts and all parts
- Incentivize customers to have **current** accounts (Net30) - discount on parts
  - If paid within 30 days - platinum status - will get 2% discount
    - To qualify - must have less than 8% returns per month
    - 2% discount will be applied on all purchases the following month
- One wholesale parts consultant
  - Incentivize him according to what they produce
- Marketing
  - Get another wholesale consultant to farm new accounts out of store
  - Create value proposition - What are we going to do for our customers if they buy from us?
    - Priority deliveries
      - In addition to normal deliveries, we will do "hot shot" deliveries as needed
    - Guidance on repairs
    - Expediting orders