

Wholesale Group Case Study

Wholesale Classification System (Page 27) - Using a DMS generated

“sales ranking” report that shows:

- a) 12 month sales
- b) 12 month gross
- c) 12 month credits
- d) 3 month sales trend
- e) 12 gross profit %
- f) 12 return percentage
- g) In addition to : Meeting with our Fixed ops director to go over our receivables account to determine monies over 30, 60 , 90 days. Also work the cash schedule weekly to keep clean.

Top Three Customers (Page 28)

- 1) **VanaMax** – Highest gross profit YTD of all customers
Highest gross profit percentage of all customers -\$63,776
Sales and gross have gone down from prior and returns have crept up as well.
- 2) **M&B Collision** – Second highest gross profit YTD -\$35,854
GP% has increased from prior year. 18.6% from a body shop is strong
Return% has come down from prior year
- 3) **H&T Ford** – Third highest gross profit dollars YTD - \$21,526
Sales and gross and gross are up from prior year
Return percentage up slightly from prior year

Bottom Three Customers (Page 28)

- 1) **J&D Auto Leader** - \$231 gross profit YTD.
Sales and gross are down from prior year
Account is overdue. There is a problem with this customer that need addressed.

GP% and return percentage look great

2) **Accidents Happen** - \$915 gross profit YTD

Sales and gross are down from prior year

Return percentage has gone up. Could be a problem here.

3) **AAAAAuto Collision** - Third Lowest gross YTD - \$2,299

Return percentage has come down and gross profit percentage is good.

Opportunities for Improvement (Page 29)

- 1) Scenario recap: We have been tasked by ownership to evaluate and improve the dealership's wholesale parts business, while tackling gross profit and increasing wholesale parts sales.
- 2) First order of business: Someone...Parts Manager....Parts Sales Person.... has to check on the existing customers to see if more business is available...can they do a better job with their returns, etc. Sometimes there are legit reasons for drops in sales and gross that can be turned around.
- 3) Second order of business is, we need to do a market study to see what other potential business is available in our market. The current marketing strategy in our case study is not enough.

Also: Many OEM Dealer Portals will provide mapping for a potential customer base. If so, we would run a query involving a specific mile-radius from our dealership, searching for all ISP's and fleet customers. We would bounce that list off our existing customer base. We can then see how many new potential customers are left over and begin to make business decisions on how to proceed. Called: Service Smarts online or SSO for GM. If this tool is not available in OEM Dealer Portals, google search for these customers based on counties. Also, you can purchase Commercial Fleet lists from 3rd party companies such as S&P Global (Polk)

Who is our competition? What are the discounts they are offering?

Is the customer list (page 26) all of our current wholesale customers?

What can we do to grow that business?

Is our one wholesale sales person handling all he can? I think his numbers show he can handle more.

Once all of this is established. How deep does the owner want to get into the wholesale business if we can show there is potential growth?

- a) Is the owner willing and can he take on more inventory to satisfy potential growth?
- b) Additional sales person?
- c) Outside sales person?
- d) Another truck?

- 4) Incentive programs - We use available wholesale marketing funds to supply customers with pens, pads, calendars, etc. We also buys pizza/lunches for top performers on a monthly basis