

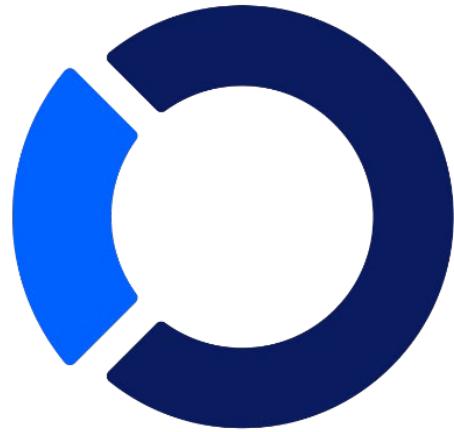


# 5 Strategies to Keep More of Your Money

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Thursday, May 22, 2025

## GNYADA Dealer Webinars are Sponsored by:



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# DMV-DIRECT

REGISTRATION, TITLING, & BEYOND...  
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GNYADA's vehicle registration and titling service, DMV-DIRECT, has been dealers go-to source for fast, convenient, & reliable DMV services.

**DMV-DIRECT provides many DMV related services, including:**

- Permanent Registration Issuance
- Duplicate Titles In 3 To 5 Days
- Out-of-State Registration & Title Processing for 42 States
- On-Site Connecticut Plates Issuance
- Dial-In Information Verification
- In-Transit Processing
- Duplicate Registrations
- Registration Renewals
- Title-Only Transactions
- Plate Surrenders
- Dealer Plate Renewals
- Rental Plate Renewals
- Repossessed Vehicles Processing
- MV-82 & Transmittal Forms Supplied
- Boat Registrations – Renewed and Duplicates
- Trailer Plates
- Commercial Plates

The image shows three overlapping promotional cards for DMV-DIRECT services. The top card is for 'RUSH DUPLICATE TITLE SERVICE' and features the GNYADA logo, the text 'DMV DIRECT VEHICLE REGISTRATION & TITLE PROCESSING SERVICE', and a list of steps: 1. Fax Paperwork to 718.747.1237, 2. Receive title on 3rd day, 3. Submit payment. The middle card is for 'New Jersey Registration & Title Processing' and features the GNYADA logo and the text 'We can meet your New Jersey Registration & Title Processing Needs TODAY!'. The bottom card is for 'CONNECTICUT PLATE ISSUANCE PROGRAM' and features a photo of a man wearing glasses and a blue shirt, looking at a document.

**GNYADA**  
Greater New York  
Automobile Dealers  
Association

**DMV DIRECT**  
VEHICLE REGISTRATION &  
TITLE PROCESSING SERVICE

GNYADA's **DMV DIRECT**

**RUSH DUPLICATE  
TITLE SERVICE**

**FAST, LOW COST SERVICE**  
Have a title at your dealership in 3 days, easy as 1, 2, 3!

1. Fax Paperwork to 718.747.1237
2. Receive title on 3rd day
3. Submit payment

**New Jersey  
Registration &  
Title Processing**

**We can meet your New Jersey Registration &  
Title Processing Needs TODAY!**

**DMV DIRECT**  
VEHICLE REGISTRATION &  
TITLE PROCESSING SERVICE

**CONNECTICUT  
PLATE ISSUANCE  
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# Five Strategies to Help You Keep More of the Money You Make in 2025



**Chris Austin**  
EVP Sales & Marketing, CRO  
*StrategicSource, Inc.*

# The Hidden Profit Leak in Dealerships



## Profit Leaks in Dealerships

1. Over-spending 25% on services and supplies
2. Lost cash discounts with suppliers
3. Too many suppliers, increased inefficiencies
4. Over-payments to suppliers
5. Too many employees with Purchasing authority

# The Frustration and Fear



## Management Challenges

1. Constant price increases impacting profits
2. No time to overhaul spend management function
3. Afraid that change will disrupt the operation
4. Stress – Feeling powerless to fix the problem
5. Unsure what to do, where to start



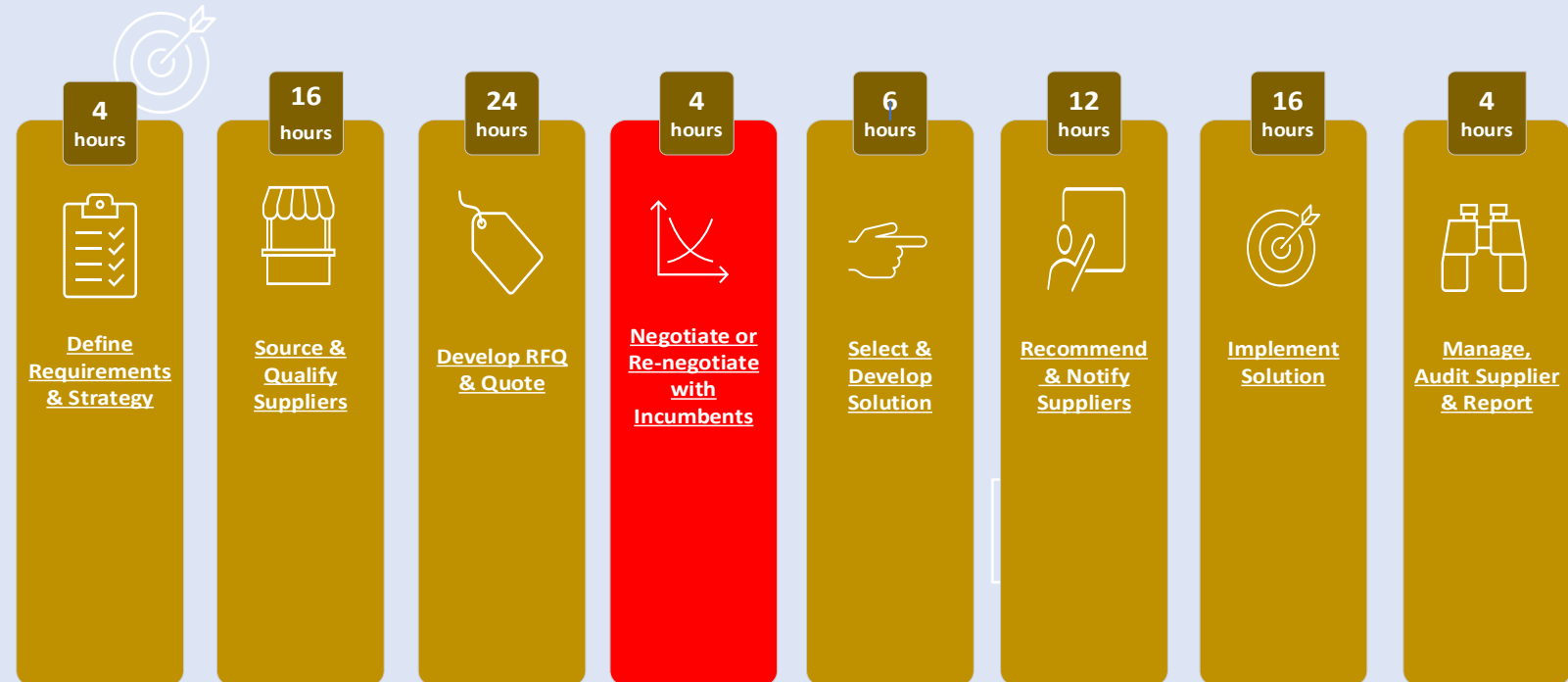


# Short-cuts Dealers Take – Pay 25% too Much



## How Most Sourcing – Renegotiating is Accomplished

Many organizations skip seven (7) key steps and go right into re-negotiation



Dealers skip most steps, and then re-negotiate prices based on no price benchmarks

**Result?**

Overpay by 25%

Four(4) hours typically spent on a category negotiations resulting in 25% over-payment

# Suggested Dealership Objectives

Want to go from...	To this
<ul style="list-style-type: none"><li>• Paying 25% too much</li></ul>	<ul style="list-style-type: none"><li>• Reducing costs by 25% on average</li></ul>
<ul style="list-style-type: none"><li>• Missed supplier discounts</li></ul>	<ul style="list-style-type: none"><li>• New discounts, more cash</li></ul>
<ul style="list-style-type: none"><li>• Too many suppliers</li></ul>	<ul style="list-style-type: none"><li>• Leverage, right sized supplier base</li></ul>
<ul style="list-style-type: none"><li>• Lack of Controls – High Risk</li></ul>	<ul style="list-style-type: none"><li>• Improved Controls – Less Risk</li></ul>
<ul style="list-style-type: none"><li>• Poor profits</li></ul>	<ul style="list-style-type: none"><li>• Increased profitability</li></ul>



# Dealership Facts You Should Know



## Dealership Facts

- Expense Categories Options – 143+
- Typical Spend Categories Used – 100
- Spend as % of Sales – 5% (\$100MM sales = \$5MM spend)
- Dealer Supply Ratios – 4:1 to 200:1 (too large and costly)
- Cost Reduction Opportunity – 25%
- Decentralized Purchasing – 95% of Dealerships  
(locations have freedom to select their own suppliers)



# Scope of Opportunity – General Expenses – 72+



Every  
Organization  
will Spend  
Money Here  
Repetitively

	Expense Category	Item	Expense Category	Item	Expense Category
1	Advertising	25	Information Technology Services	49	Records Management
2	Advertising - Internet	26	Internet Services	50	Retirement - 401K
3	Advertising - Magazine	27	Locksmith Services	51	Security
4	Advertising - Print	28	Marketing Products	52	Security Patrols
5	Auto Rentals	29	Marketing Service - Websites	53	Security Service
6	Background Checks	30	Marketing Services	54	Shredding Services
7	Beverage/ Water	31	Mats, Floor mats	55	Signage
8	Business Services	32	Miscellaneous	56	Software
9	Business Services-Accounting	33	MRO Supplies	57	Software, Desktop
10	Business Services-Legal	34	Music & Messaging Systems	58	Software, system
11	Business Services-Scanning	35	Office Equipment	59	Spot Buys
12	Check Processing Services	36	Office Equip. - Postage Machine	60	Storage
13	Computer Hardware	37	Office Equipment/Software	61	Supplies
14	Courier Services	38	Office Furnishings	62	Supplies, Miscellaneous
15	Credit Card Processing Services	39	Office Supplies	63	Tele.- Voice/Internet/Data/TV
16	Employee Benefits	40	Other	64	Telecom Maintenance
17	Equipment	41	Payroll Services	65	Telecommunication - Cellular
18	First Aid	42	Postage	66	Telephone Systems
19	Fixtures	43	Prescription Services	67	Temporary Help
20	Food & Beverage Services	44	Printed Mat.-Custom	68	Transportation - Other
21	Food & Beverage Services - Ven	45	Printed Mat.-Packaged Goods	69	Transportation - Small Package
22	Food Services	46	Printed Mat.-Pro. Correspondence	70	Transportation, LTL & TL
23	Human Resource Services	47	Promotional Items	71	Travel
24	Information Systems	48	Purchasing Reward Card	72	Uniforms & Laundry

# Scope of Opportunity – Facility Expenses – 15+



Expenses  
whether you  
lease or own a  
facility!

Item		Facility Categories
1		Carpet Cleaning
2		Janitorial Services
3		Janitorial Supplies
4		Landscape Services
5		Maintenance - Pest Services
6		Maintenance-Door Services
7		Maintenance-HVAC
8		Maintenance-Lighting
9		Maintenance-Parking Lot
10		Maintenance-Plumbing/Drains
11		MRO Supplies
12		Utilities
13		Waste & Recycling
14		Waste, Hazardous
15		Window Washing

# Scope of Opportunity – Automotive – 56+



Item	Expense Category	Item	Expense Category
1	Aftermarket Accessories	38	MS - Service Schedulers
2	Aftermarket Services	39	MS - Social Media
3	Auto Body Repair	40	MS - Websites
4	Auto -Paintless Dent Repair	41	MS- Fixed Operations
5	Auto Parts	42	MS- Used Car Ads
6	Auto Parts - Non OE	43	Online Manuals
7	Auto Parts - Used	44	Parking
8	Auto Rentals	45	Shop Gases
9	Auto Tires	46	Shop Supplies
10	Body Shop Supplies	47	Signage
11	Car Wash	48	Storage
12	Chemicals	49	Supplies, Miscellaneous
13	Credit Bureau	50	Tools
14	Detailing Services	51	Towing
15	Detailing Supplies	52	Trans.- Auto Transportation
16	DMS & Related	53	Uniforms & Laundry
17	Equipment	54	Utilities
18	Fuel	55	Vehicle History
19	Glass & Installation	56	Waste - Hazardous (oil, fluids, tires)
20	GPS	Item	Audit-Recovery Category
21	Key Management Systems	57	Warranty- Parts Recovery
22	Locksmith	58	F&I Comp. Audit and Training
23	Lubricants - Specialty & Flush Kits	59	MS - Media Savings & Rebate Prog.
24	Lubricants & Fluids	Item	Revenue Opportunities
25	Mats, Floor mats	60	Auto Body-Paintless Dent Removal
26	Miscellaneous	61	Glass Installation
27	MS - Call Management	62	Remote Auto Start
28	MS - Classified Listings	63	Wheel Repair
29	MS - CRM	64	Key Fobs
30	MS - Digital	Item	Consulting Services
31	MS - Events	65	Compliance Audits(HR-Insurance)
32	MS - Lead Response	66	Corporate Aircraft Consulting
33	MS - Miscellaneous	67	DMS Assessment
34	MS - Online Chat	68	Digital Inventory Per. Assessment
35	MS - Owner Marketing (Print Mktg)		
36	MS - Reputation Management		
37	MS - Search Engine Optimization		

Total Category Scope

143+ Opportunities to attack



# Cost Reductions Add Profits Faster than Sales



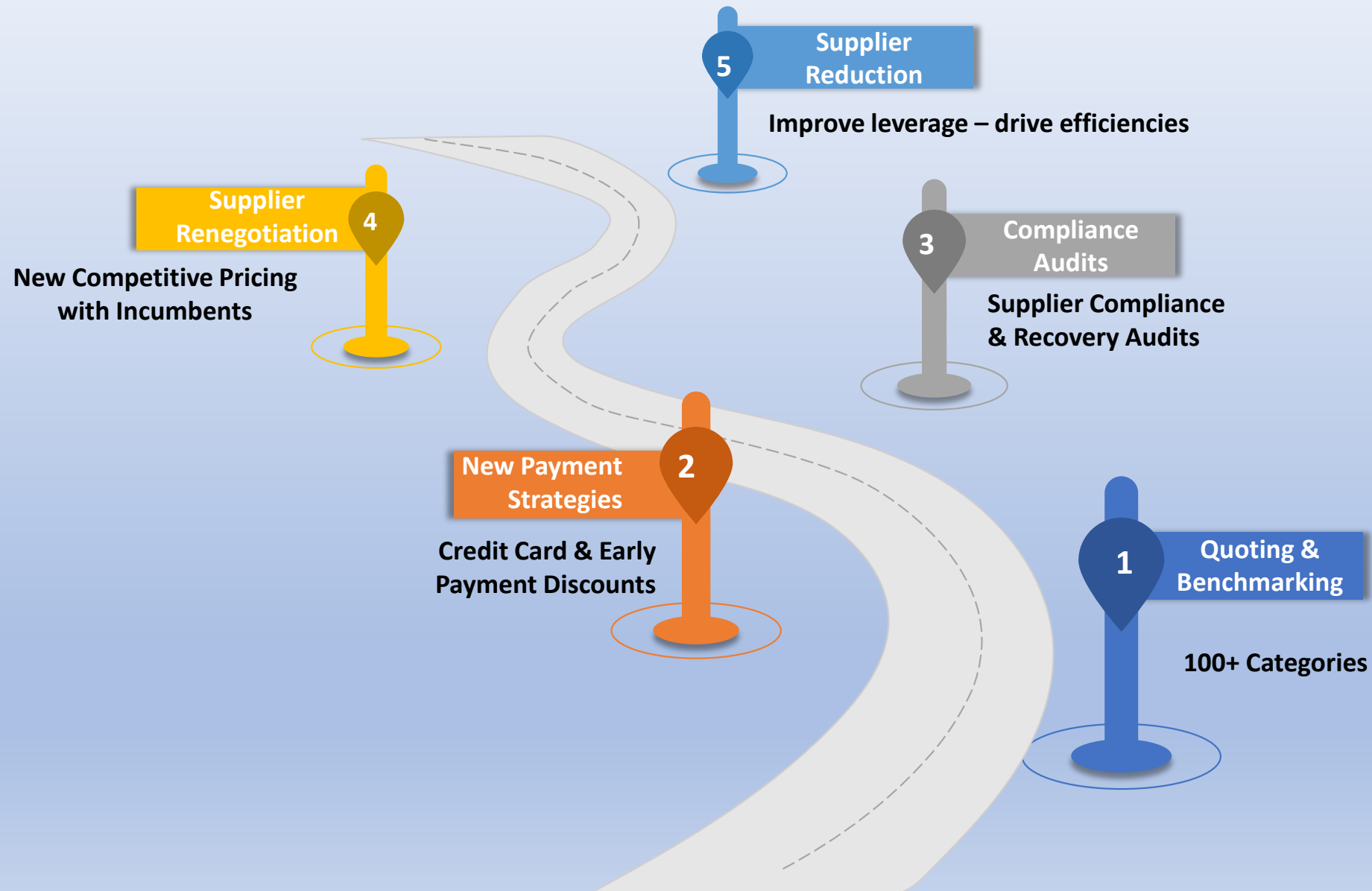
New Spend  
Strategies can  
Drive Healthy  
New Profits!

Cost Reductions	Profit Margin	New Sales Required
\$2,000,000	4%	\$50,000,000
\$1,500,000	4%	\$37,500,000
\$1,000,000	4%	\$25,000,000
\$750,000	4%	\$18,750,000
\$500,000	4%	\$12,500,000
\$250,000	4%	\$6,250,000
\$100,000	4%	\$2,500,000

Cost Reductions	Profit Margin	New Sales Required
\$2,000,000	3%	\$66,666,000
\$1,500,000	3%	\$49,999,500
\$1,000,000	3%	\$33,333,000
\$750,000	3%	\$24,999,750
\$500,000	3%	\$16,666,500
\$250,000	3%	\$8,333,250
\$100,000	3%	\$3,333,300

Cost Reductions	Profit Margin	New Sales Required
\$2,000,000	2%	\$100,000,000
\$1,500,000	2%	\$75,000,000
\$1,000,000	2%	\$50,000,000
\$750,000	2%	\$37,500,000
\$500,000	2%	\$25,000,000
\$250,000	2%	\$12,500,000
\$100,000	2%	\$5,000,000

# Five(5) Strategies to Stop the Money Drain



# Strategy #1 – Quote & Benchmark to Stop Overpaying



## Quote or Benchmark First:

- Credit Card Processing
- Credit Bureaus
- Bank Financing/Floorplan
- DMS
- Insurance(all)

Credit Bureau Summary Analysis					Supplier		
					Contact	Supplier A	Supplier B
					Phone		
	Location	Current Providers	Current Annual Credit Pulls	Current Annualized Pricing		Proposed Pricing	Proposed Pricing
1	Subaru,	\$0					
	Avg. Annual Spend		36	\$613		\$445	\$399
	Total Savings					\$168	\$214
	Estimated Annual Percentage Savings					27%	35%
2	CDJR	\$0					
	Avg. Annual Spend		31380	\$123,538		\$103,609	\$111,452
	Total Savings					\$19,929	\$12,086
	Estimated Annual Percentage Savings					16%	10%
3	Toyota Scion	\$0					
	Avg. Annual Spend		3996	\$16,173		\$13,401	\$14,141
	Total Savings					\$2,772	\$2,031
	Estimated Annual Percentage Savings					17%	13%
4	Fiat	\$0					
	Avg. Annual Spend		3036	\$11,980		\$10,199	\$10,370
	Total Savings					\$1,781	\$1,610
	Estimated Annual Percentage Savings					15%	13%
5	BMW	\$0					
	Avg. Annual Spend		0	\$466		\$264	\$263
	Total Savings					\$202	\$203
	Estimated Annual Percentage Savings					43%	44%
6	Chevrolet	\$0					
	Avg. Annual Spend		2160	\$9,230		\$7,423	\$7,977
	Total Savings					\$1,807	\$1,254
	Estimated Annual Percentage Savings					20%	14%
	Part 1 - Summary Analysis						
	Total Fees All Stores Annual		40608	\$162,000		\$135,340	\$144,603
	Savings total					\$26,660	\$17,397
	Percentage Savings Annual					16%	11%
	Part 2 - Summary Analysis - Pull Reduction						
	Savings - Reduce 2nd/3rd credit pull	2nd pull is 50% of 1st pull				\$12,086	\$12,086
	Percentage Savings Annual	& 3rd pull is 25% of 1st				7%	7%
	Part 3 - Summary Analysis - Least Expensive Pull						

***\*Quoting expenses with multiple suppliers provides “truth” in the marketplace!***



# Building a Request for Quote(RFQ)



Parts Usage Report  
Group: ALL GROUPS  
Department: all departments Supplier: all suppliers  
Printed on 7/17/2015 at 1:33:46PM  
Parts that have sold at least: 1  
For the Period 7/17/2014 to 7/17/2015

Parts Sales Summary Page: 1

Part Number	Line	Alternate Number	Description	Dept	Sup	Cost	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Total	Ordered	Actual On Order	Usage for July 2015
03814			10W30 CASTROL	TIR	WC	\$5.65	0	0	6	0	0	0	6	0	0	0	0	0	12.00	0.00	0.00	12.00
10040			BATTERY	BAT	WC	\$124.87	0	0	0	0	0	0	1	0	0	0	0	0	1.00	0.00	0.00	1.00
12062			ALTERNATOR	STA	NAP	\$121.68	0	0	0	1	0	1	1	0	0	0	0	1	4.00	0.00	0.00	3.00
12081			ALTERNATOR	TIR	ACK	\$101.99	0	0	0	0	1	0	0	0	0	0	1	0	2.00	0.00	0.00	1.00
20602			BRAKE PADS	BRA	CG2	\$31.50	0	0	0	0	0	1	0	0	0	0	0	0	1.00	1.00	0.00	1.00
252-623		ACD	NEW WATER PUMP	COO	NAP	\$105.39	0	0	0	0	0	0	1	0	0	0	0	0	1.00	0.00	0.00	1.00
30-102075			BRAKE ROTOR	TIR	NAP	\$18.26	0	0	0	0	0	0	1	0	0	0	0	0	1.00	1.00	0.00	1.00
7060			OIL FILTER	FIL	ACK	\$4.35	2	3	1	0	0	0	1	0	1	0	1	1	10.00	0.00	0.00	2.00
7076			OIL FILTER	FIL	NAP	\$9.99	0	0	0	1	1	1	1	0	0	0	0	0	4.00	0.00	0.00	4.00
OCC		OIL	OC OIL	OIL	CG2	\$0.50	117	118	0	1	4	2	4	137	147	141	111	111	893.00	6.00	0.00	11.00
55W30B		OIL	SHELL 5W30 FORM O	OIL	AZX	\$1.78	654	587	0	0	0	11	0	731	760	782	638	663	4,826.00	16.50	0.00	11.00
UP7576X		UP	F CERAMIC PADS	BRA	NAP	\$96.97	0	0	0	0	0	1	0	0	0	0	0	0	1.00	0.00	0.00	1.00
WASHERFLUID			WASHER FLUID	OIL	NAP	\$0.56	157	148	0	1	1	2	1	181	177	182	145	156	1,151.00	6.00	0.00	5.00
WW1		SS	WHEEL WEIGHT	TIR	NAP	\$0.20	236	248	0	0	0	3	0	265	287	272	240	281	1,832.00	13.00	0.00	3.00
TOTALS :							1,144	1,184	7	4	7	22	17	1,314	1,372	1,377	1,104	1,213	8,738.00	43.50	0.00	57.00

## Step 1 – Obtain Elec. Usage Report

Obtain a usage report(s) from supplier for previous 12 months of purchases.

Request report in Excel.

## Step 2 – Build RFQ

- Copy and past all items used
- Identify P/N
- Identify Description
- Identify Unit of Measure(U/M)
- Identify Package Quantity
- Leave Supplier name out in RFQ
- Allow space for supplier to insert price

Shop Supplies - Analysis

Blue BOLD = Alternative product/service  
Green BOLD = UOM Conversion  
Red BOLD = PLUGGED

SUPPLIER:  
CONTACT:  
PHONE:  
EMAIL:

LINE #	PART #	DESCRIPTION	PKG QTY	UOM	Supplier Price Quote
1	AP-2610	CUT OFF WHL 3X 1/16X 3/8	20	each	
2	7481	3M SFC CND DISC 2" MED	25	each	
3	7515	3M SFC CND R DISC 2" VFN	25	each	
4	998512	IMPERIALOK R 3" FINE DISC	25	each	
5	872606S	BRISTLE DISC 2"GREEN 50G	10	1	
6	872604S	BRISTLE DISC 2"WHITE 120G	10	1	
7	998245	BRISTLE DISC 3"YELLOW 80G	25	each	
Subtotal \$					\$ -
8	PER882190	SUPER GLUE 2 Gram TUBE	6	2g	
Subtotal \$					\$ -
9	3MN1500	AA-CELL ALK DURACELL-PRO	24	each	
10	3MN2400	AAA-CELL ALK DURACELL-PRO	24	each	
11	3MN1300	D-CELL ALK DURACELL-PRO	12	each	
Subtotal \$					\$ -
12	CRC 05023	BATTERY CLNR 12-3/4 OZ	1	11oz	
13	89099107	BRAKE CLEANER 14 OZ NET	12	19oz	
14	CRC 5084	BRAKE CLEANER 14 OZ NET	1	19oz	
15	16PB-DS	PB Blaster (aerosol)	12	11 oz	
16	80744CN	PB Blaster (aerosol)	12	18oz	
17	80744CN	PB Blaster (aerosol)	12	18oz	
18	WW5004	WHITE GREASE 13-3/4 OZ	12	10.5 oz	
19	80925CN	WHITE GREASE 13-3/4 OZ	12	13oz	
Subtotal \$					\$ -
20	33004	HOSE CLAMP M4H	10	each	
21	5204	HOSE CLAMP M4H	10	each	
22	33006	HOSE CLAMP M6S	10	each	
23	33006	HOSE CLAMP M6S	20	each	
24	33012	HOSE CLAMP M12S	10	each	
25	33016	HOSE CLAMP M16S	10	each	
26	33020	HOSE CLAMP M20S	10	each	
27	52020	HOSE CLAMP M20S	10	each	
28	33024	HOSE CLAMP M24S	10	each	
29	33024	HOSE CLAMP M24S	10	each	
30	33028	HOSE CLAMP M28S	10	each	
31	33032	HOSE CLAMP M32S	10	each	
32	33036	HOSE CLAMP M36S	10	each	
33	33036	HOSE CLAMP M36S	10	each	
Subtotal \$					\$ -

# Impact of Quoting Expense Categories



Spend Strategy	Quoting Expense Categories - Assume 20% Savings	New Profits
Supplier Spend - \$10MM	\$2MM	\$2MM
Supplier Spend - \$5MM	\$1MM	\$1MM
Supplier Spend - \$3MM	\$600K	\$600K
Supplier Spend - \$2MM	\$400K	\$400K

**RFQ's – Quoting Expense Categories should generate 25% cost savings on average(20% used for example)**

# Strategy #2 – Maximizing Cash Discounts



Spend Strategy	2% Early Payment Discounts	1.5% Credit Card Cash Rebates	Total New Profits
Supplier Spend - \$10MM	\$200,000	\$150,000	<b>\$350,000</b>
Supplier Spend - \$5MM	\$100,000	\$75,000	<b>\$175,000</b>
Supplier Spend - \$3MM	\$60,000	\$45,000	<b>\$105,000</b>
Supplier Spend - \$2MM	\$40,000	\$30,000	<b>\$70,000</b>

**Recommendation** - Implement a 2% early payment discount with suppliers, pay suppliers with a credit card to generate 1.5%+ cash back discount

# Strategy #3 – Implement Compliance & Recovery Audits

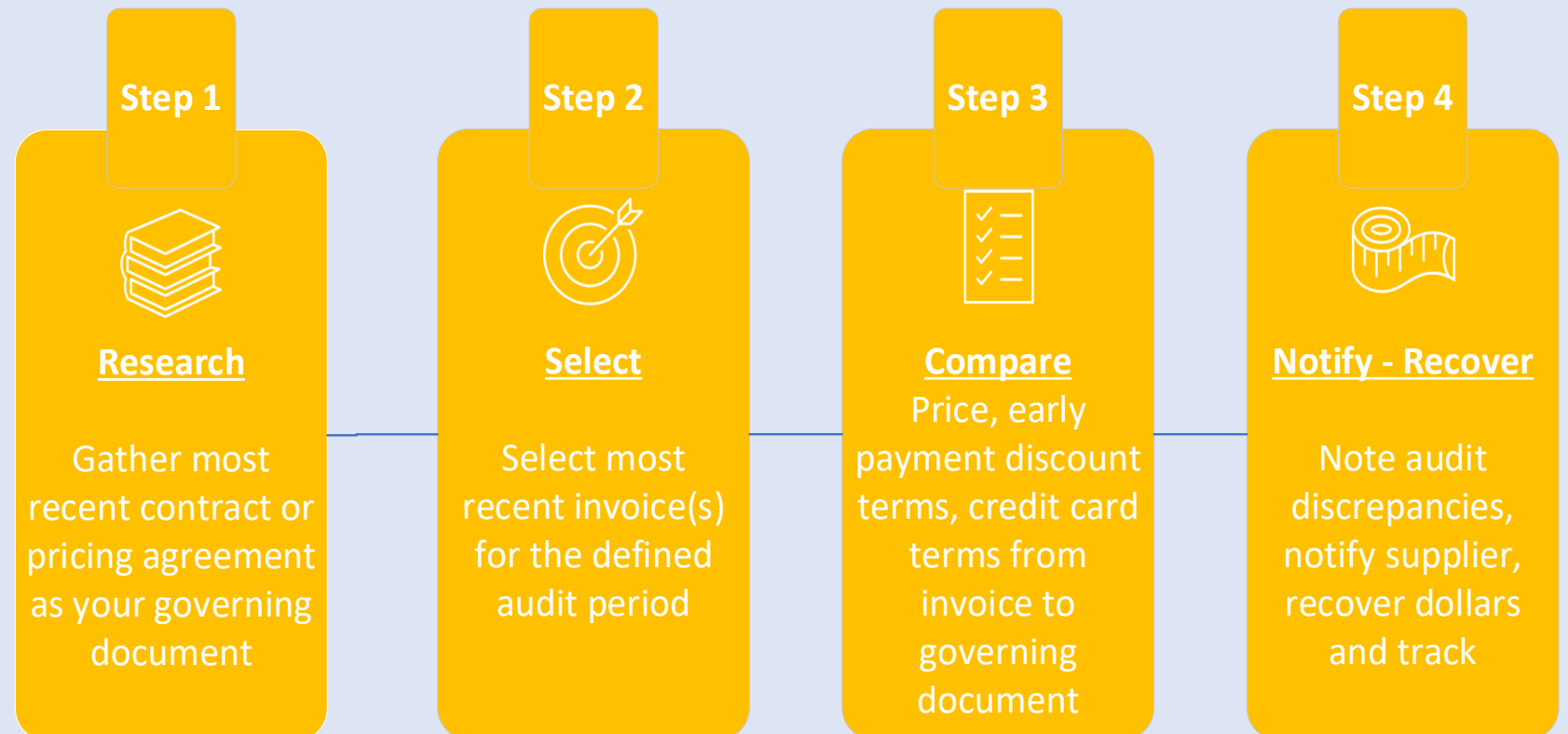


## Suggestion:

Audit Uniform,  
DMS, Credit Card,  
Credit Bureau, Shop  
Supplies, Telecom,  
Transportation  
Invoices to start



## Supplier Compliance Audit Steps



# Impact of Compliance – Recovery Audits



Spend Strategy	Audit Recovery at 2%	New Bottom Line Profits
Supplier Spend - \$10MM	\$200,000	\$200K
Supplier Spend - \$5MM	\$100,000	\$100K
Supplier Spend - \$3MM	\$60,000	\$60K
Supplier Spend - \$2MM	\$40,000	\$40K

**\*Supplier Compliance Audits** – Auditing to ensure the right supplier is used, the right items are purchased, the right prices are applied and the right business terms are provided



# Strategy #4 - Leverage Data for Better Pricing and New Profits



Collect fresh price benchmarks and compare to current prices. Once analyzed, it's time to renegotiate with your suppliers to reduce costs – improve profits

## Benchmark - Price Comparisons

Purchased Item	Unit of M.	Client Supplier	Client Price	Benchmark Price	\$\$ Diff.	% Diff.
Uniforms						
Uniform Shirt	EA	G & K	\$0.55	\$0.41	\$0.14	25.45%
Uniform Jacket	EA	G & K	\$1.00	\$0.80	\$0.20	20.00%
Uniform Pants	EA	G & K	\$0.55	\$0.41	\$0.14	25.45%
Shop Towel	EA	G & K	\$0.05	\$0.04	\$0.01	20.00%
Shirt - Polo	EA	G & K	\$0.69	\$0.65	\$0.04	5.80%
Office Supplies						
Paper, Copy 8 1/2 x 11 (20lb)	RM	XYZ Office	\$3.13	\$2.16	\$0.97	30.99%
Jumbo Paper Clips	BX	XYZ Office	\$0.75	\$0.23	\$0.52	69.33%
Office Stapler	EA	XYZ Office	\$3.41	\$3.58	-\$0.17	-4.99%
Staples	BX	XYZ Office	\$0.41	\$0.46	-\$0.05	-12.20%
Manilla Folders, pckg 25	PCKG	XYZ Office	\$4.49	\$3.19	\$1.30	28.95%
1 1/2" Binder	EA	XYZ Office	\$2.49	\$1.29	\$1.20	48.19%
2" Binder	EA	XYZ Office	\$2.15	\$1.49	\$0.66	30.70%
Wastebasket	EA	XYZ Office	\$8.28	\$1.99	\$6.29	75.97%
Highlighter, Yellow - Fluorescent	EA	XYZ Office	\$0.35	\$0.16	\$0.19	54.29%
Jr. Legal Pad, White	DZ	XYZ Office	\$5.88	\$2.59	\$3.29	55.95%
Post it Notes, 3x3	EA	XYZ Office	\$0.24	\$0.24	\$0.00	0.00%
Shop Supplies						
Electrical Tape	RL	DB Koppy	\$1.62	\$2.75	-\$1.13	-69.75%
Gloves, Nitrile	BX	DB Koppy	\$10.34	\$6.49	\$3.85	37.23%
Blades, Razor 10 Each	BX	DB Koppy	\$5.00	\$3.89	\$1.11	22.20%
Battery Cleaner	Can	DB Koppy	\$2.36	\$1.41	\$0.95	40.25%
Wheel Weight, Std 1/2 oz	EA	Bauer	\$0.44	\$0.04	\$0.40	90.91%
Wheel Weight, Std 1/4 oz	EA	Bauer	\$0.40	\$0.04	\$0.36	90.10%
Wheel Weight, AW Coated 1 1/4 oz	EA	Bauer	\$0.38	\$0.13	\$0.25	65.33%
Wheel Weight, AW Coated 1 oz	EA	Bauer	\$0.32	\$0.09	\$0.23	71.43%
Lubricants						
5W 30 Oil Branded	GL	Lube-Tech	\$4.68	\$4.04	\$0.64	13.68%
Windshield Solvent	GL	Lube-Tech	\$1.14	\$1.05	\$0.09	7.89%
Janitorial Supplies						
Hand Soap, 800ml, 12/CS	Case	Wipers/Wipes	\$63.11	\$43.13	\$19.98	31.66%
Paper Towels, Roll, 2 Ply 30 rl/CS	Case	Wipers/Wipes	\$49.88	\$23.20	\$26.68	53.49%
Towel, Multi-Fold, 250 Pk/16/CS	Case	Wipers/Wipes	\$24.88	\$15.50	\$9.38	37.70%
Printed Forms						
Business Cards - 1 sided	EA	P. Print/Design	\$0.17	\$0.07	\$0.10	59.77%
#10 Envelopes	EA	P. Print/Design	\$0.06	\$0.02	\$0.04	62.07%
Waste						
Waste Container, 4 YD x 3	Month	WM	\$315.00	\$125.00	\$190.00	60.32%
Totals			\$514	\$247	\$268	52.05%

Calculate Differences

Market Basket Comparison

# Strategy #4 - Leverage Data for Better Pricing



## Negotiation Steps

With Price Benchmarks in hand, it is time to go back to your incumbent suppliers and negotiate new competitive Rates

*\*Savings – Profit Impact covered in an earlier slide*

### Step 1



#### Research

Gather background expense information and benchmark

### Step 2



#### Define

Define your targets and negotiation objectives

### Step 3



#### Anticipate

Determine your leverage, anticipate your opponent's positions, consider concessions

### Step 4



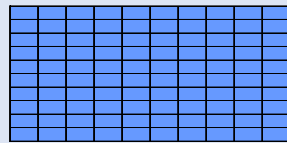
#### Execute

Conduct negotiations, implement, measure and record results

# Strategy #5 – Streamline Your Supplier Base

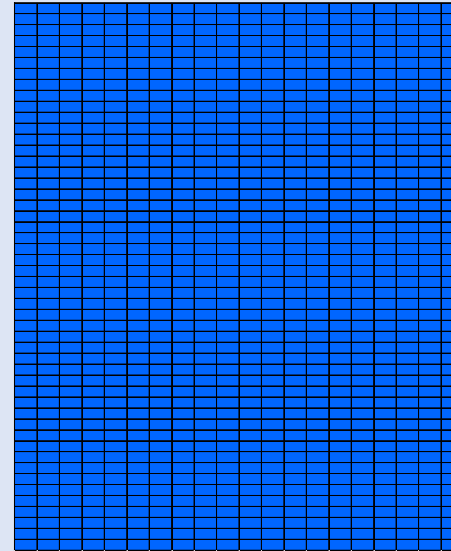
## Lack of Controls – Policies:

- Too many buyers
- Too many suppliers
- Less purchasing leverage
- Too many invoices
- Fewer cash discounts
- Higher prices
- Lost profits



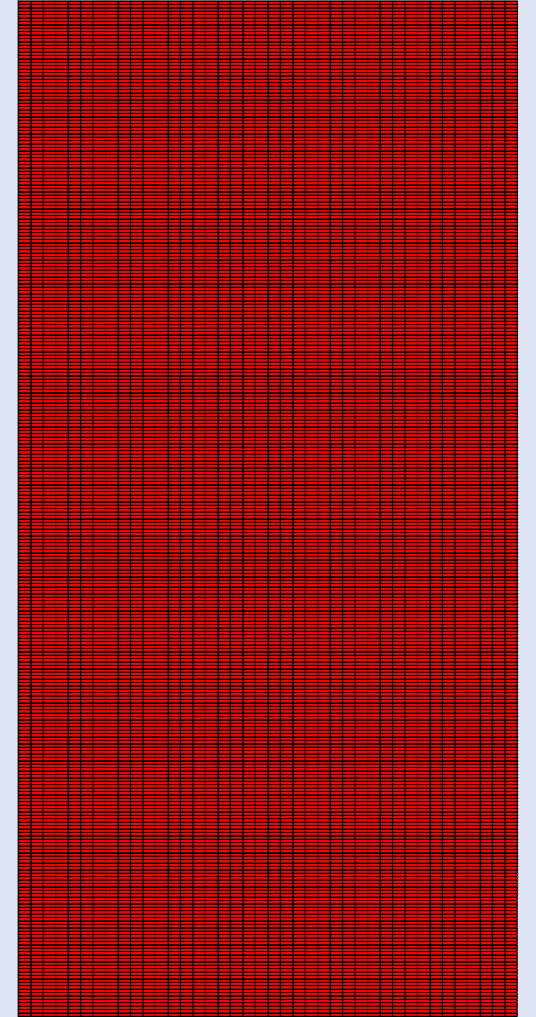
100 Expense  
Categories

+



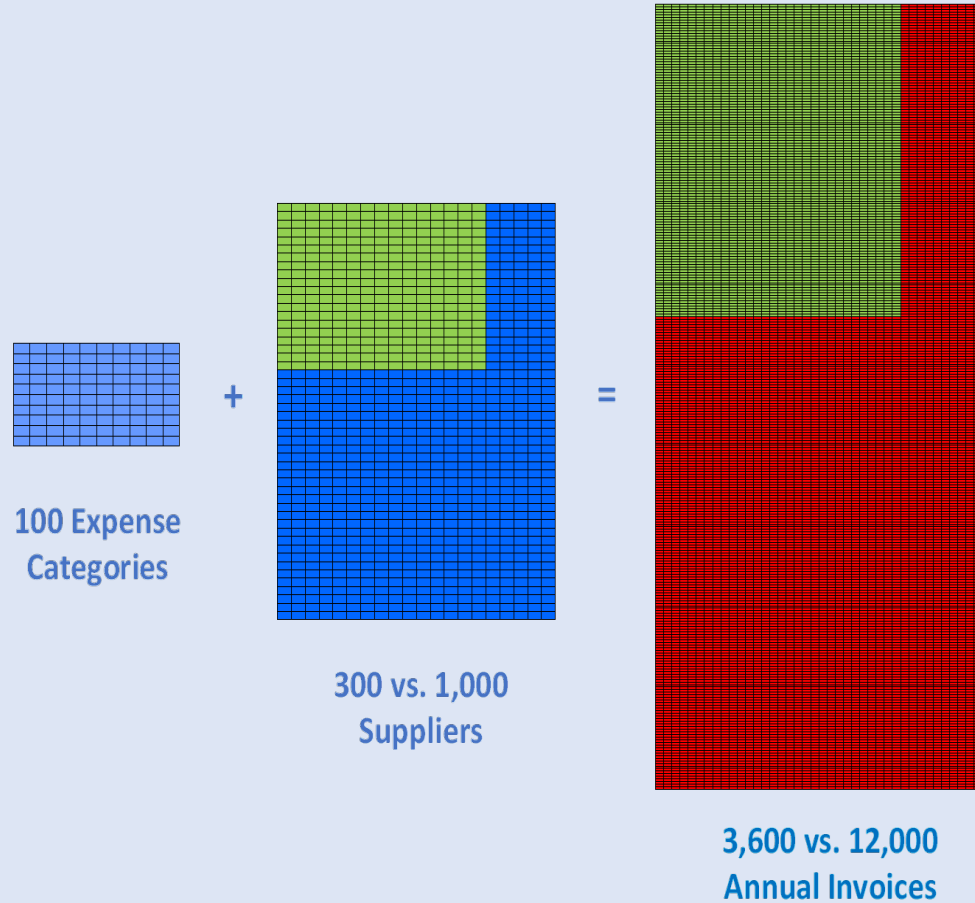
1,000 Suppliers

=



12,000 Annual Invoices

# Supply Base Reduction = Reduced Costs – New Profits



Metrics	From:	To:	Reduction - Savings
Suppliers	1000	300	700 fewer suppliers
Invoices	12,000	3,600	8,400 fewer invoices
Cost per invoice - \$25	\$300K	\$90K	<b>\$210K</b>
<b>Cost Savings – New Profits</b>			<b><u>\$210,000</u></b>

## Summary

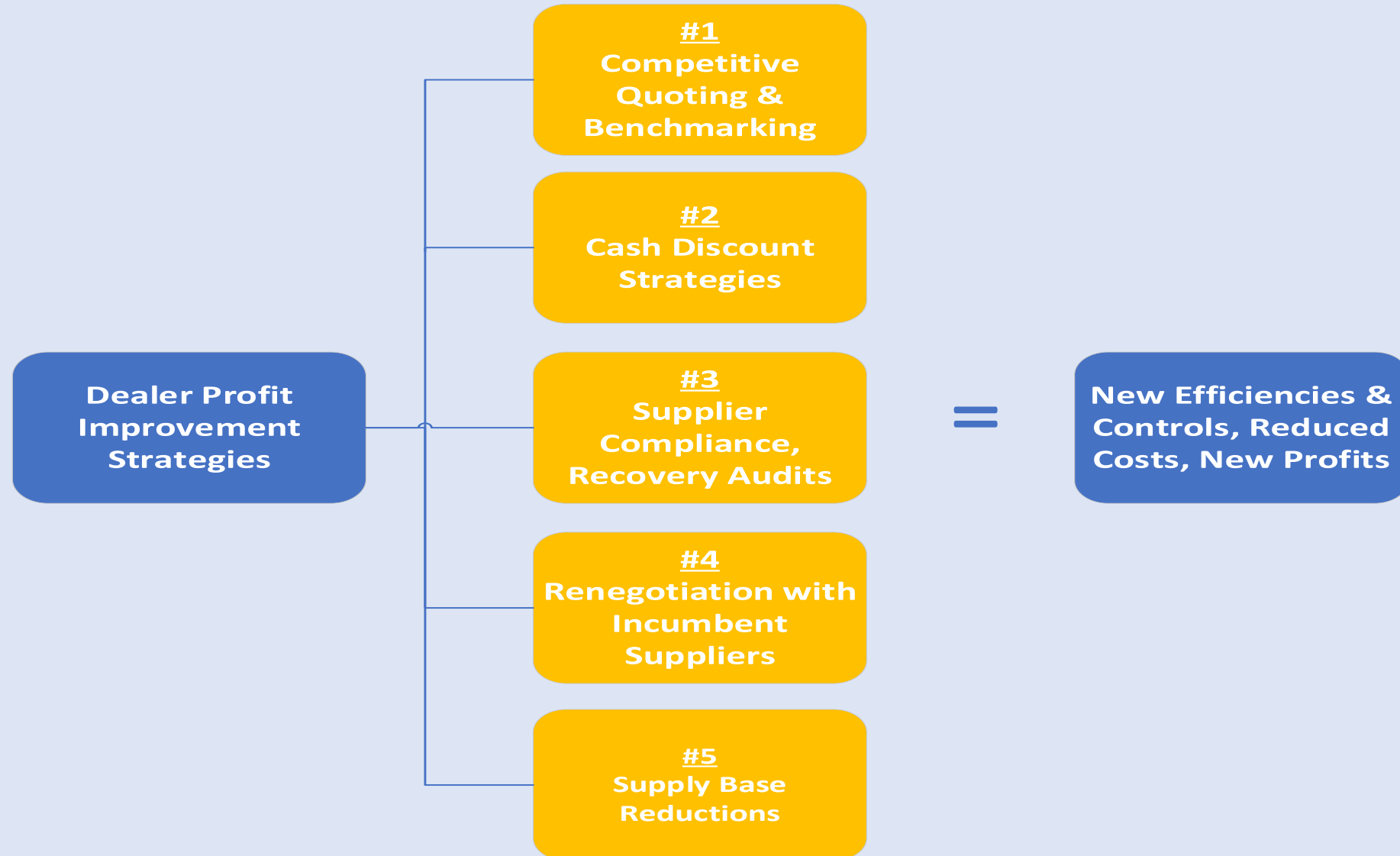
- Too many buyers = too many suppliers
- Too many suppliers = little pricing leverage
- Too many suppliers = too many invoices, larger staff

# How Your Organization Will Benefit from Implementation of the Five Spend Strategies





# Strategies to Stop the Money Drain



# The Change You Will Realize

Go from...	To this
<ul style="list-style-type: none"><li>• Paying 25% too much</li></ul>	<ul style="list-style-type: none"><li>• Reducing costs by 25% on average</li></ul>
<ul style="list-style-type: none"><li>• Missed supplier discounts</li></ul>	<ul style="list-style-type: none"><li>• New discounts, more cash</li></ul>
<ul style="list-style-type: none"><li>• No supplier audits</li></ul>	<ul style="list-style-type: none"><li>• Supplier audits + new cash</li></ul>
<ul style="list-style-type: none"><li>• High supplier pricing</li></ul>	<ul style="list-style-type: none"><li>• New competitive prices</li></ul>
<ul style="list-style-type: none"><li>• Too many suppliers</li></ul>	<ul style="list-style-type: none"><li>• Optimized supplier base</li><li>• <b>New Profitability</b></li></ul>



# How Will You Benefit Using The Five Strategies



Dealership Examples	#1 Supplier Quoting	#2 Supplier Discounts	#3 Audits- Recoveries	#4 Renegotiate w/ Suppliers	#5 Supply Base Reductions	Total New Profit Impact
Supplier Spend - \$10MM	\$2MM	\$350,000	\$200K	Included in #1	\$210,000	<b><u>\$2.760M</u></b>
Supplier Spend - \$5MM	\$1MM	\$175,000	\$100K	“	\$210,000	<b><u>\$1.485M</u></b>
Supplier Spend - \$3MM	\$600K	\$105,000	\$60K	“	\$105,000	<b><u>\$870K</u></b>
Supplier Spend - \$2MM	\$400K	\$70,000	\$40K	“	\$50,000	<b><u>\$560K</u></b>

**\*How Many Vehicles Need to Be Sold to Generate These Profits?**

# Next Steps to Realize the Improvements



	Next Steps
1.	Establish a 12 month cost reduction objective (\$500K, \$1.0M, \$2.0M)
2.	Assign expense categories to your mgmt. team to quote
3.	Enact new business terms(early payment discounts and credit card payments)
4.	Implement new category audit program(compliance and recovery)
5.	Assign managers to renegotiate selected expense categories
6.	Assign Managers to reduce the supplier base by 50% to 70%

# Ready to Take Action?



**Download the  
Presentation**



**Free Price  
Comp Review**



**Best Practice  
Assessment**

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# QUESTIONS?

# Thank you for Attending Today!



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