

Performance Management Group
Dealer Success Stories

#	Expense Category	Issue/Opportunity	Strategy/Solution	Client Benefits (Cost Savings)
1.	Office Supplies	<ul style="list-style-type: none"> 7 Office supply vendors supporting 4 locations. 1/2 FTE managing the pricing, ordering & payment 	<ul style="list-style-type: none"> Used one of dealers current suppliers as new sole source 	Cost – 26% cost reduction Supply Base Reduct.- 7 to 1 Other – Internet ordering <ul style="list-style-type: none"> Usage reporting Redeployed FTE to new car titling
2.	Shop Supplies	<ul style="list-style-type: none"> 31 suppliers providing hardware, wheel weights, supplies. Spot buy approach, pricing moving up 	<ul style="list-style-type: none"> Developed comprehensive inventory of supplies Quoted with objective of sole sourcing 	Cost – 34% cost reduction Supply Base Reduct.- 31 to 1 Other – Simplified order form <ul style="list-style-type: none"> Firm pricing 12 months Annual rebate Usage reporting by location
3.	Janitorial Supplies	<ul style="list-style-type: none"> 3 locations had 7 different dispensers and 5 suppliers providing supplies 	<ul style="list-style-type: none"> Leveraged to one existing supplier Standardized to one dispenser in all locations 	Cost – \$22% Supply Base Reduct.- 5 to 1 Other: firm pricing 12 months <ul style="list-style-type: none"> Usage reporting Standardized equipment Simplified mgmt./ordering
4.	Janitorial Services	<ul style="list-style-type: none"> Cost of current services nearly 25% higher than competitive market, but dealer liked their provider 	<ul style="list-style-type: none"> Renegotiated with current supplier to reduce cost and extend contract for 24 mos. 	Cost – 20% - \$20K year Supply Base Reduct.- 0 Other: Firm pricing 2 years <ul style="list-style-type: none"> No disruption in service
5.	Lubricants	<ul style="list-style-type: none"> Cost of lubricants were very high compared to market pricing 	<ul style="list-style-type: none"> After a competitive quote , convinced current supplier to reduce cost by over 22% 	Cost –\$56K annually or 22% Supply Base Reduct.-0 Other – Long term fixed pricing <ul style="list-style-type: none"> Locked pricing for all lube products Able to secure equipment funds with same vendor
6.	Plumbing – Floor Drains	<ul style="list-style-type: none"> Dealership locations had problems with floor drains backing up, causing mess, foul smell and disruptions to service bays 	<ul style="list-style-type: none"> Quoted a quarterly program to pump sumps and jet floor drains on a regular basis 	Cost – 12% cost reduction Supply Base Reduct.- 4 to 2 Other: Scheduled service ensures fewer unplanned problems, disruptions, simpler to manage

7.	Car Wash	<ul style="list-style-type: none"> Car Wash had performance issues. Dealer had obtained a quote on a needed new car wash, but needed more help and sources 	<ul style="list-style-type: none"> PMG defined performance rqmts, chemical rqmts and quoted with four suppliers, selecting one that met all rqmts. 	<p>Cost – \$22K savings against all quotes Supply Base Reduct.- 3 to 1 Other: High quality equipment, warranty, maintenance and chemical pricing locked</p>
8.	Credit Card Processing	<ul style="list-style-type: none"> Dealer with 10 locations using 2 credit card processors at very high rates. Sought to reduce rates and sole source, and improve service levels 	<ul style="list-style-type: none"> Quoted to six companies, found more competitive rates, training problems that costed dealer over \$40K annually. Eventually settled on new source with lower contracted and fixed rates. 	<p>Cost – 24%/\$90K annually Supply Base Reduct.- 2 to 1 Other: Trained all store personnel to improve processing at lower costs.</p> <ul style="list-style-type: none"> One agreement to manage
9.	Body Shop Supplies	<ul style="list-style-type: none"> Dealer using 4 suppliers of body shop supplies. Inventory levels too high and costs were increasing 	<ul style="list-style-type: none"> Took inventory of items, quoted and narrowed to one supplier also the source of dealer shop supplies 	<p>Cost – 18%, 24K annually Supply Base Reduct.- 4 to 1 Other – Usage reporting</p> <ul style="list-style-type: none"> Simplified ordering/mgmt.
10.	Uniforms	<ul style="list-style-type: none"> Unit costs for uniform program very high, overall program costs increasing. Liked supplier but did not like pricing 	<ul style="list-style-type: none"> Renegotiated pricing with current supplier. Locked pricing for 3 years 	<p>Cost –\$16K, 21% Supply Base Reduct.-0 Other: Firm pricing 3 years</p>
11.	Office & Janitorial Supplies	<ul style="list-style-type: none"> Multiple suppliers for both office and janitorial supplies across 7 locations 	<ul style="list-style-type: none"> Sole sourced all office supplies and janitorial supplies with one national supplier with internet ordering 	<p>Cost – 20% over both categories Supply Base Reduct.- 10 to 1 Other – Internet ordering, standardized product offering, usage reporting</p>
12.	Credit Card Processing	<ul style="list-style-type: none"> Large dealer group utilizing two credit card processors with high rates. Lack of operator training led to higher charges than necessary. 	<ul style="list-style-type: none"> Competitive quote led to recommendation and implementation of sole source w/ perator training to reduce costs. 	<p>Cost – 28% Supply Base Reduct.- 2 to 1 Other – Operator training to reduce processing costs</p>
13.	Uniforms	<ul style="list-style-type: none"> Large dealer group utilizing two uniform suppliers. Pricing was high and not in conformance with contracts 	<ul style="list-style-type: none"> Competitive quote led to a selection of a new supplier at rates over 26% less than current rates. Additionally, audits of current suppliers resulted in additional recovery of funds. 	<p>Cost – \$120K – 26% Supply Base Reduct.- 2 to 1 Other – Fixed price contract for three years, new improved uniform and dealer patches</p>
14.	Waste	<ul style="list-style-type: none"> Review of current waste contract revealed extremely high rate for limited service provided 	<ul style="list-style-type: none"> Supplier reduced rate for 24 months. 	<p>Cost – 60% Supply Base Reduct.- 0 Other – Fixed 24 month pricing at new rate</p>
15.	Detailing Supplies	<ul style="list-style-type: none"> Multiple detailing suppliers utilized in four locations. 	<ul style="list-style-type: none"> Competitive quote revealed an opportunity to single source at reduced pricing with current supplier 	<p>Cost – 18% Supply Base Reduct.- 3 to 1 Other: Supplier trained operators to improve results and reduce consumption.</p>

16.	Hard Parts	<ul style="list-style-type: none"> Dealer utilized three suppliers including manufacturer for hard parts purchasing worth over \$1.4M annually 	<ul style="list-style-type: none"> Sourcing and negotiation revealed an opportunity to utilize a single WD(warehouse distributor) with a progressive discount program that exceeded that of the manufacturer 	<p>Cost – \$80K, 7.3%</p> <p>Supply Base Reduct.- 3 to 1</p> <p>Other – Simplified discount structure, improved service levels.</p>
17.	Automatic Doors	<ul style="list-style-type: none"> Large dealership group utilized four door service providers and suffered frequent door breakdowns 	<ul style="list-style-type: none"> Quoted a scheduled maintenance service based on a three month PM service 	<p>Cost – 6%</p> <p>Supply Base Reduct.- 4 to 1</p> <p>Other – Scheduled maintenance to reduce frequent door failures</p>
18.	Body Shop Supplies	<ul style="list-style-type: none"> Large body shop utilized 4 suppliers for supplies and materials. Costs were high and shrinkage was a growing concern 	<ul style="list-style-type: none"> After a competitive quote, sole sourced body shop supplies with the provider of shop supplies. Created locked cabinet with controls to improve controls and reduce shrinkage. 	<p>Cost – 15%</p> <p>Supply Base Reduct.- 4 to 1</p> <p>Other – New controls to reduce shrinkage and review consumption</p>
19.	Shop Supplies	<ul style="list-style-type: none"> Multiple suppliers of shop supplies for three locations at costs that were not competitive 	<ul style="list-style-type: none"> Sole sourced shop supplies with a current supplier. Able to leverage hardware and body shop supplies to program as well. 	<p>Cost – 24%</p> <p>Supply Base Reduct.- 12 to 1</p> <p>Other – Locked pricing for 12 months, national rebate, usage reporting that showed usage by location and by user.</p>
20.	Courier Service	<ul style="list-style-type: none"> Dealership needed a courier service to provide additional pick-ups and deliveries of parts for improved customer service 	<ul style="list-style-type: none"> Developed a detailed list of courier requirements. Quoted service with four suppliers and selected the best qualified and most competitive. 	<p>Cost – New service</p> <p>Supply Base Reduct.- 0</p> <p>Other – Firm pricing for 24 months</p>
21.	Lighting	<ul style="list-style-type: none"> Dealership utilized electrical services to replace light bulbs and ballast for internal and lot light requirements 	<ul style="list-style-type: none"> Sole sourced service with a lighting specialist on a regular schedule. 	<p>Cost – 24%</p> <p>Supply Base Reduct.- 2 to 1</p> <p>Other – Regular route to replace bulbs simplified management and improved lighting</p>
22.	Fire Safety	<ul style="list-style-type: none"> 3 providers of fire extinguisher services used for four locations 	<ul style="list-style-type: none"> Sole sourced to one supplier with fixed pricing for two years 	<p>Cost – 12%</p> <p>Supply Base Reduct.- 3 to 1</p> <p>Other – Reduced suppliers resulted in reduced payables.</p>