



Ford Export Operations &
Global Growth Initiatives

Certified Parts Wholesale

Dealer Business Plan

TRIPLE J FORD

Dealership Name

SEPT 17, 2010

Date

BUSINESS PLAN OBJECTIVE

Your Business Plan should address the needs of the entire wholesale business channel with particular emphasis on the segment(s) in which your dealership will specialize. Fleets, Installers, Powertrain Specialists, and Collision Shops have been identified as wholesale segments that offer dealers the greatest wholesale growth opportunity.

Your annual business plan should address primary marketing and sales issues, including:

- Supporting the business growth and customer satisfaction goals of all segments
- Delivery Plans, including "hotshot" expedited service and prompt Will Call support
- Each client will have a knowledgeable Sales Representative with defined contact schedules
- Parts return policies and procedures, including service part warranty policies and control

OPPORTUNITY ASSESSMENT

Number of Current Accounts within 5 – 8 Kilometers / 3 - 5 Miles of the Dealership

Fleets		Installers		Powertrain Specialists	2	Collision Shops	5
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*Source: Dealer Management System

2

5

Number of Prospects within 5 – 8 Kilometers / 3 – 5 Miles of the Dealership

Fleets		Installers		Powertrain Specialists	2	Collision Shops	12
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*Source: Dealer Records

2

12

Number of Prospects within 16 Kilometers / 10 Miles of the Dealership

Fleets		Installers		Powertrain Specialists	0	Collision Shops	0
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*Source: Dealer Records

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CURRENT PARTS WHOLESALING PERFORMANCE

Current Performance						
Avg. Weekly Wholesale Parts Sales (\$ or local currency)	# Salespeople dedicated to Outside Parts Sales	Average # of Calls on Current Customers/ Week	# of Prospecting Calls per Week	Current # of Delivery Vehicles	Avg. # of Deliveries per Day	Size of Current Delivery Area (Radius km)
3830	1	65	115	1	3	20

Wholesale Sales and Gross Profit	Prior Reporting Year
Wholesale Sales (\$ or local currency)	\$183,857
Wholesale Gross (\$ or local currency)	\$64,349
Wholesale Sales % Total Parts Sales	%35
Wholesale Gross % Parts Department Gross	%35

*Source: Dealer Financial Statement

Wholesale Sales by Commodity Group	Prior Reporting Year
Collision (\$ or local currency)	\$73,546.74
Light Repair (\$ or local currency)	\$45,965.89
Maintenance (\$ or local currency)	\$36,772.28
Powertrain (\$ or local currency)	\$27,572.09

*Source: Dealer Financial Statement

PROJECTED PARTS WHOLESALING PERFORMANCE (SUGGESTION 5% – 20%)

Projected Performance (Based on Business Plan)					
Avg. Weekly Wholesale Parts Sales (\$ or local currency)	# Salespeople dedicated to Outside Parts Sales	Average # of Calls on New & Existing Customers/Week	# of Prospecting Calls per Week	Projected # of Delivery Vehicles	Size of New Delivery Area (Radius km)
4,596	1.5	60	108	5	240 sq.ft

Projected Performance by Quarter (Based on Business Plan)				
	Q1	Q2	Q3	Q4
Wholesale Sales at ____% Growth Over Prior Reporting Year (\$ or local currency)	\$52,858	\$52,858	\$52,858	\$52,858
Wholesale Gross ____% Growth Over Prior Reporting Year (\$ or local currency)	\$18,500	\$18,500	\$18,500	\$18,500
Wholesale Sales % Total Parts Sales ____%	%35	%35	%35	%35

*Source: Dealer Financial Statement

Targeted Growth Accounts Summary	
Accounts per Outside Sales Representative #1	30
Accounts per Outside Sales Representative #2	15
Accounts per Outside Sales Representative #3	0
Total Target Accounts	40
Average # of Accounts Per Outside Sales Representative	20

*Source: Pages 18 – 19 of this business plan

I. WHOLESALE CUSTOMER SERVICE AND SUPPORT

A high level of service to wholesale customers needs to be a primary focus. In order to improve customer satisfaction, maintaining and improving service to your customer should be an ongoing work in process, always moving toward improvement. To get started:

- Describe your plans to continue to meet and improve your service level to installers:
- We have hired one person who handle parts wholesale business, he has great experienced selling parts to Gov't, Military such as DZSP21/GS21, he already passed the requirements and he is now a Certified on Parts Wholesale Dealer Program.
- Which of your customers represent the greatest opportunity for parts growth

Trade, Fleet, Military, Collision shops, independent garages, Neighbor Islands.
- Outline your plans to assist the business growth plans of your wholesale customers

Better pricing, support from Ford, order parts on concession request pricing, better supply, parts availability of Motorcraft products, be competitive with aftermarket like Napa, Diamond Auto Parts, AC Delco, Etc.
- Outline your plans to support your wholesale customer's goals of increasing the use of Genuine Ford and Motorcraft parts

Better pricing from Ford, minimized delayed shipment from Ford, Make all Motorcraft products available when order placed.
- Outline your plans to help your wholesale customers improve their customer satisfaction performance

Door to door delivery, offer warranty on parts, pricing must be competitive.

II. DETERMINE TARGET MARKET AREAS

Market Segment Definitions

- Installer – Non-franchised dealer vehicle service repair facility. Can be an independent or a chain of repair facilities.
- Jobber - A wholesaler who operates on a small scale or who sells only to retailers and institutions.
- Fleet – An organization with three or more vehicles operated under unified control. Fleets may operate their own vehicle service facilities or choose to service their vehicles at a dealership or independent repair facility.
- Government – Vehicles operated by the governing authority of a country, province, state, territory, region, municipality, etc. Governments may operate their own vehicle service facilities or choose to service their vehicles at a dealership or independent repair facility.
- Body Shop/Collision – Vehicle repair facilities that specialize in collision repairs.

Identify Market Segments (Current Wholesale % Mix)

	Primary	Secondary
1. Installer/Jobber	10 %	
2. Fleet/Government	30 %	
3. Powertrain Specialist	10 %	
4. Body/Collision Shop	50%	

Primary market represents 50% or above of existing wholesale sales. (Utilize year-end sales history reports, e.g., an accounts receivable aging analysis report).

- Describe which target customers (e.g., Installers, Jobber, Fleets, Government, Collision Repair, etc.) you will pursue and which geographic market areas you will target for each type of wholesale customer

DZSP21, GTA,

- GWA,GS21,GFD,GMH,GAIA,MC DONALD,FEDEX,DHL.GPD, INDEPENDENT GARAGES,DPW,G4S.COLLISION BODY REPAIR SHOPS.TOUR BUS COMPANIES.RENTAL VEHICLES.

- Identify all fleet and government accounts that might perform their own maintenance

DPW,GTA,GPD,GS21,DZSP21.

- What other wholesale segments could be successfully targeted; industrial, export and other franchises ?

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Export to neighbor Island, Majuro,Palau,Phonpei, Kosrae.

III. DETERMINE MARKET CONDITIONS AND DYNAMICS

- What are the driving forces in your market (e.g., price, availability, efficiency, loyalty, incentives)?

Efficiency, Speedy delivery.

- Unique selling proposition – how do you plan on competing (e.g., compete on price, promote breadth of inventory, offer "hotshot" expedited parts delivery, etc.)?

Pricing, delivery and availability.

- Why will wholesale customers buy from you rather than the competition?

Delivery period, quality of Motorcraft products, pricing and warranty.

- Identify the competitive brands sold into the market with Ford and Lincoln Mercury OEM application

AC Delco, GM, Napa. Diamond, Chief Auto.

- Identify current discount structure of competitor selling Ford-branded application lines

For collision body shops giving them US suggested retail pricing, others has fleet discounts as well.

- Identify competitor unique selling programs (e.g., contracts, bid requirements, etc.)

Advertising, delivery van, door to door selling, support advertising materials, AC Delco Auto.

IV. DETERMINE THE CAPITAL REQUIREMENTS NEEDED FOR PARTS WHOLESALING

- What initial and ongoing investment is required for parts wholesaling?

Dedicated delivery person, storage place, manufacture buy back program. We can target all collision shop here in Guam if Ford guarantee buy back.

- What are the capital requirements necessary to increase the account base, credit approvals, etc.?

- Increase credit amount.

- Does your dealership have the necessary capital to support updated computer hardware & software (if needed) to meet dealership, customer, and future wholesale needs?

Yes but need more space though.

- Does your dealership have the necessary capital to support the growth in accounts receivable as the parts wholesale business grows?

Yes

- Describe dealership parts wholesale credit policy. How will the dealership handle bad debt associated with parts wholesale accounts?

By credit application to be approved by our CFO or VP, 30 days term.

V. DEALERSHIP MANAGEMENT / FACILITY / PERSONNEL

- Does your dealership have a business plan to include actions & timetables to be reviewed on a monthly basis?

Yes

- Identify space/storage requirements to serve the market needs/expectations and Business Plan goals

- At least 3000 to 5000 Sq.Ft.

- Describe your process for monitoring daily sales gross and expense activity

Our DMS (ADP)

- Do you have a consistent return/refund and re-stocking process in place?

Yes, we have a policy, stated on invoices as well.

- What are your Policies and Procedures concerning account credit applications & limits?

Accounting department will handle it.

- Do you have sufficient number of parts employees (counter personnel, delivery drivers, outside sales) to support the wholesale channel?

Yes

- Are your parts sales/delivery employees empowered and trained to quickly resolve wholesale customer concerns?

Yes

VI. DEALERSHIP MANAGEMENT / FACILITY / PERSONNEL CONTINUED....

- How will your dealership accommodate additional accounts to existing delivery and sales routes on an ongoing basis?

Increase man power.

- Do you have specific objectives and follow up actions in place for new account prospecting?

Yes

- Do you conduct market pricing surveys? If so, are there follow up actions taken for improvement?

Yes

- Does your dealership have a minimum of one delivery vehicle per branch/location to support local wholesale customers?

Yes we can increase if business justifies it.

- Do you offer daily parts delivery to your local market?

Yes

- Discuss the boundaries of your delivery area and shipping rules and processes

We can deliver everyday, anywhere, our Island is small in square area.

- Is your dealership clearly identified and has adequate signage & parking to support wholesale customers?

Yes

VII. PARTS INVENTORY / SALES TRACKING

- What system will be used to track parts sales to wholesale customers?

Our DMS system ADP.

- What controls & actions do you have in place for tracking stocking guides/fill rates (lost sales & inventory accuracy), and parts salability?

Our DMS system set up on all above.

- Does your parts department have the proper inventory mix (depth and breadth) and stocking criteria with optimal phase in/phase out parameters that support wholesale growth?

Yes

VIII. HOURS OF CUSTOMER SUPPORT (OPERATION)

- What are your hours of customer support (operation)?

We are open Monday Thru Saturday from 7:00 AM until 6:00 PM.

- Are your hours of customer support consistent with your parts wholesale customer's needs?

Yes

IX. PRICING POLICIES AND DISCOUNTS

- Describe parts wholesale pricing policies and discounts offered to each of the following customers:

- Installers

_____ working on it.

- Jobbers

_____ working on it.

- Collision Repair Facilities

- US Mitchell pricing guide.

- Fleets

_____ 35 % GP

- Government Agencies

_____ 35-40 % GP

- Retail Parts Store Chains

_____ 20-25 % GP

- Industrial Accounts

_____ NA

- Other Dealers

_____ 35-40 % GP.

- Will your wholesaling pricing plan create conflict with your current customers?

_____ NO

- Identify training needs for parts wholesale sales staff for pricing issues

_____ WEB Training.

X. CATALOG/PRINTED/WEB SUPPORT TO WHOLESALE CUSTOMERS

- Do you offer your customers any catalogs?

_____ Yes Motorcraft Catalogs.

- _____



- Do you offer online parts ordering?

E-mail

- Do you offer any vehicle technical support?

Yes on case to case basis.

- Will you offer "in-shop" electronic ordering and cataloging for your customers?

NO.

XI. WHOLESALE CUSTOMER INTRODUCTION

- How frequently do you plan on visiting your accounts (e.g., monthly, contact frequency segmented by sales volume, etc.)

Visit them weekly and contact them daily.

- Describe parts wholesale sales representative's contact responsibility and the dealership policy for new business acquisition

Follow up call daily.

XII. WHOLESALE PARTS MARKETING

Note: E&G offers dealerships parts marketing funds for use on approved advertising and promotions that focus on generating incremental parts sales growth. Please see your Dealer Operations Manager for details.

- Do you have a Parts Wholesale Marketing Plan? If so, please give a brief summary

News paper, we have our own magazines, we call it the high road magazine, we are planning to publish there, we have our own website, etc.

- How will you market your products (advertising, open house)?

Advertising we can do open house as well.

- How many Parts Wholesale Marketing Promotions do you develop on a yearly basis?

Maybe 12 or more if business justifies it.

- Are there procedures in place to monitor existing & new account wants/needs and timely reactions & feedback?

YES

- Identify the products that you will use as "leaders" (e.g., coolant, filters, hose clamps, etc.)

Motorcraft batteries, filters, coolant, Oil, Chemicals, body and mechanical parts.

- Identify all accounts that request a bid in order to gain a sale

All Gov't agencies and Military.

- Identify your procedure (including sales representative responsibility) in complying with bids

Attending all bid conference.

PARTS WHOLESALING SUPPORT TOOLS

Plans To Utilize Existing Support Tools:

Support Tools	Specific Actions	Champion*	Time Frame
Parts Wholesale Advertising Materials	FmcDealer.com/offer motorcraft catalogs to fleet accounts.	Bobby/Ken/Norman	8 hrs
CPWD Strategic Growth Business Plan	Pending	Bobby/Ken Ray	



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**Champion is responsible for implementing and supporting tool use*

Plans for Dealership Parts Wholesale Promotions/Incentive Programs:			
Promotion/Incentive	Champion*	Promotion Overview Including Focus Commodities	Promotion Dates
\$ 3.00 /per battery sales	Bobby Gopez Ken Ray	Week of caring	September
\$ 3.00 / per brake pad sales	Bobby Gopez Ken Ray	Week of caring	December
\$ 6.00 per case on coolant sales	Bobby Gopez Ken Ray	Pending	Pending

**Champion is responsible for implementing the incentive and assuring that the sales team is aware of its status.*

XIII. WARRANTY SUPPORT

- Are all national Ford parts warranties honored without regard of the original selling dealer's location?

Yes

- Identify warranty training needs of your staff

Fmcdealer/ work with warranty dept.

- Identify warranty training needs of your customers (rank in order of importance)?

Work with Manufac.

WHOLESALE GROWTH ACTIONS

New Approaches - People

Initiative or Specific Action (i.e. Sales Contacts)	Champion	Start Date	Due Date (√ number of days to complete)					
			30	60	90	120	240	365
1. What will be done? <u>Assign dedicated people for wholesale</u> How will results be measured? <u>By running sales report on DMS</u>	Bobby Gopez	As required		->				
2. What will be done? More on advertising, etc. How will results be measured? Volume of sales justifies it.	Same as above			->				

WHOLESALE GROWTH ACTIONS (CONTINUED)

New Approaches – Servicing & Building Relationships with Customers

Initiative or Specific Action (i.e. Open House, Account Contact)	Champion	Start Date	Due Date (√ number of days to complete)					
			30	60	90	120	240	365
1. What will be done? <u>Target new customers/ regular visit.</u> How will results be measured? <u>New customer set up listings</u>	Bobby Gopez			->				
2. What will be done? How will results be measured?								

New Approaches – Business Investments								
Initiative or Specific Action (i.e. Hire Outside Sales Person, Add a Delivery Truck, etc.)	Champion	Start Date	Due Date (√ number of days to complete)					
			30	60	90	120	240	365
1. What will be done? Office –Existing Organization How will results be measured? Daily report check	Bobby Gopez			->				
2. What will be done? How will results be measured?								

WHOLESALE GROWTH ACTIONS (CONTINUED)

New Approaches – Programs

Initiative or Specific Action (i.e. Ford Motor Company or Internal Dealership Support Programs)	Champion	Start Date	Due Date (√ number of days to complete)					
			30	60	90	120	240	365
<p>1. What will be done?</p> <p>Promotion/ Marketing, wholesale 50 5 discount.</p> <p>How will results be measured?</p> <p>By using matrix marketing program ROI analysis.</p>	Bobby Gopez		->	->	->			
<p>2. What will be done?</p> <p>How will results be measured?</p>								

TARGETED GROWTH ACCOUNTS (COMPLETE ONE LIST OF TARGETED GROWTH ACCOUNTS FOR EACH OUTSIDE SALES PERSON)

Recommendation is that 75% of Targeted Growth Accounts are identified from your existing accounts – do more with what you have!

Account	Sales Objective	Expected Contact Frequency	By Whom
All accounts	\$ 10, 000.00	Daily/ Weekly	Bobby/Anieto
Total	\$10, 000.00		



TARGETED GROWTH ACCOUNTS (COMPLETE ONE LIST OF TARGETED GROWTH ACCOUNTS FOR EACH OUTSIDE SALES PERSON) (CONTINUED)

Recommendation is that 25% of Targeted Growth Accounts are prospects

Account	Sales Objective	Expected Contact Frequency	By Whom
All accounts	\$ 5, 000.00	Daily/ weekly	Bobby/ Anieto
Total	\$ 5000.00		

