

Convenience Retailing: Buying Right For Improved Profits

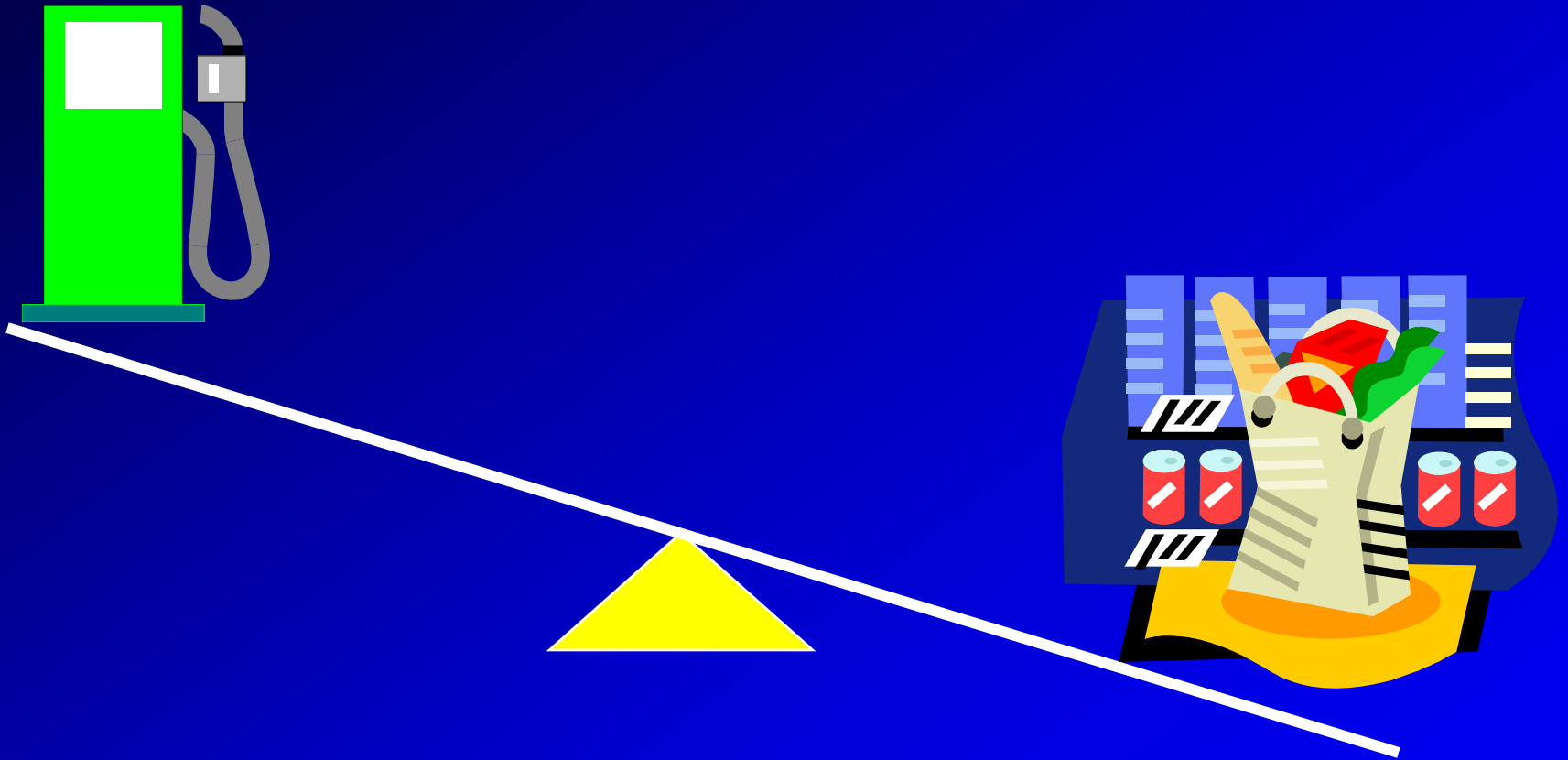


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Agenda

- My Background
- To Sell Right Have To Buy Right
- What Is Required To Buy Right

Your Future Position



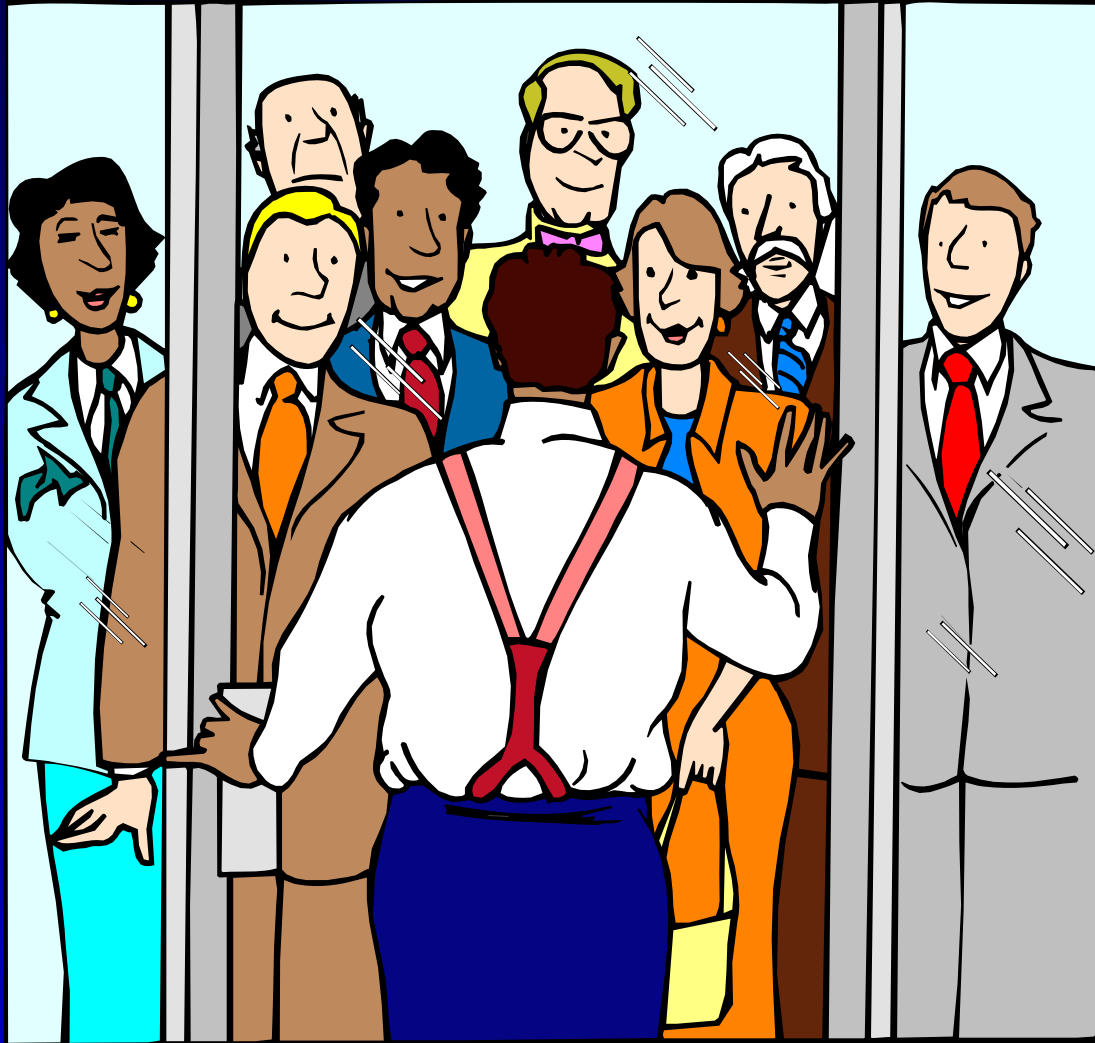
Buying Right – Requires Knowledge

- **Industry Associations/Events**
 - Trade shows
 - Topic / vendor specific
 - NACS Pac events
 - Shell's Trade Show
- **Industry Publications**
 - Monthly Publications (most are free)
 - Daily News (delivered via email)
- **Industry Suppliers**
- **Network**
 - Informally (competitors/non-competitors)
 - Formally (exchange groups/buying cooperatives)
 - STARZ

Buying Right – Right Supplier

- Has What You Want
- Right For You
- Willing To Do Business With You
- Takes Work
- Right For Your Customers

Who Are Your Customers

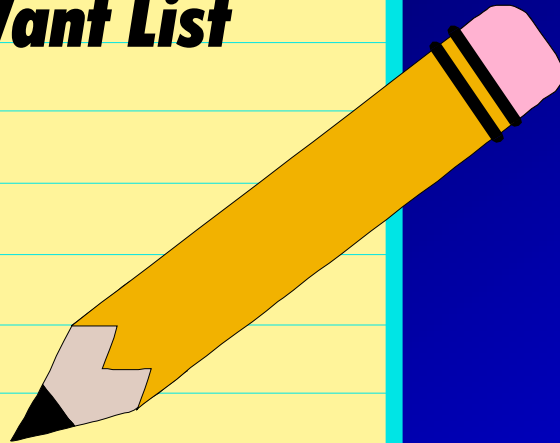


Right Product – What You Sold

- Vendor Supplier Information
- Product Purchase Report
- Count / Recount
- Build to Sheets
- Scan Data

Right Product – What You Could Have Sold

Want List



Focus Groups



Consumer Intercepts

Right Time

- **Lack of Product Availability Leads To:**
 - Customer dissatisfaction
 - Product substitution
 - Lost sales
 - Lost profitability
- **Reliability Can Be Improved With:**
 - Focus
 - Training
 - Technology
 - Communication
 - Analysis

Right Time / Right Quantity

Bridge Buying

- **Three Key Categories**
 - Candy (via displays)
 - Soft Drinks
 - Beer

- **Guidelines**
 - 50-70% of sales

Right Cost

**The Total Cost You Pay
Is More Complex
Than Just The Price
On The Invoice**

Right Cost

Total Cost Of Acquisition

- **Service Levels**
 - Fulfillment
 - Full, Partial, Limited
- **Willingness to Share Expertise**
 - Knowledge of the market
 - Reports
- **Willingness To Work With You**

Total Acquisition Cost – An Example

Primary Wholesaler

- Invoice Price
- Any Misc. Charges
- Impact on overall Purchases

Membership Organization

- Invoice Price
- Possible Credit Card Discount (vs. terms)

Total Acquisition Cost – An Example

Primary Wholesaler

- Item Pricing
- Shelf Tags
- Store Resets
- Consistent Item Selection
- Information
 - Your Purchases
 - Your Market
- Delivery

Membership Organization

- Possible Reports
- Time Away From Store
- Auto Expense
- Risk – Car / You
- Opportunity Cost

For More Information About...



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