

# **Convenience Retailing: Buying Right For Improved Profits**

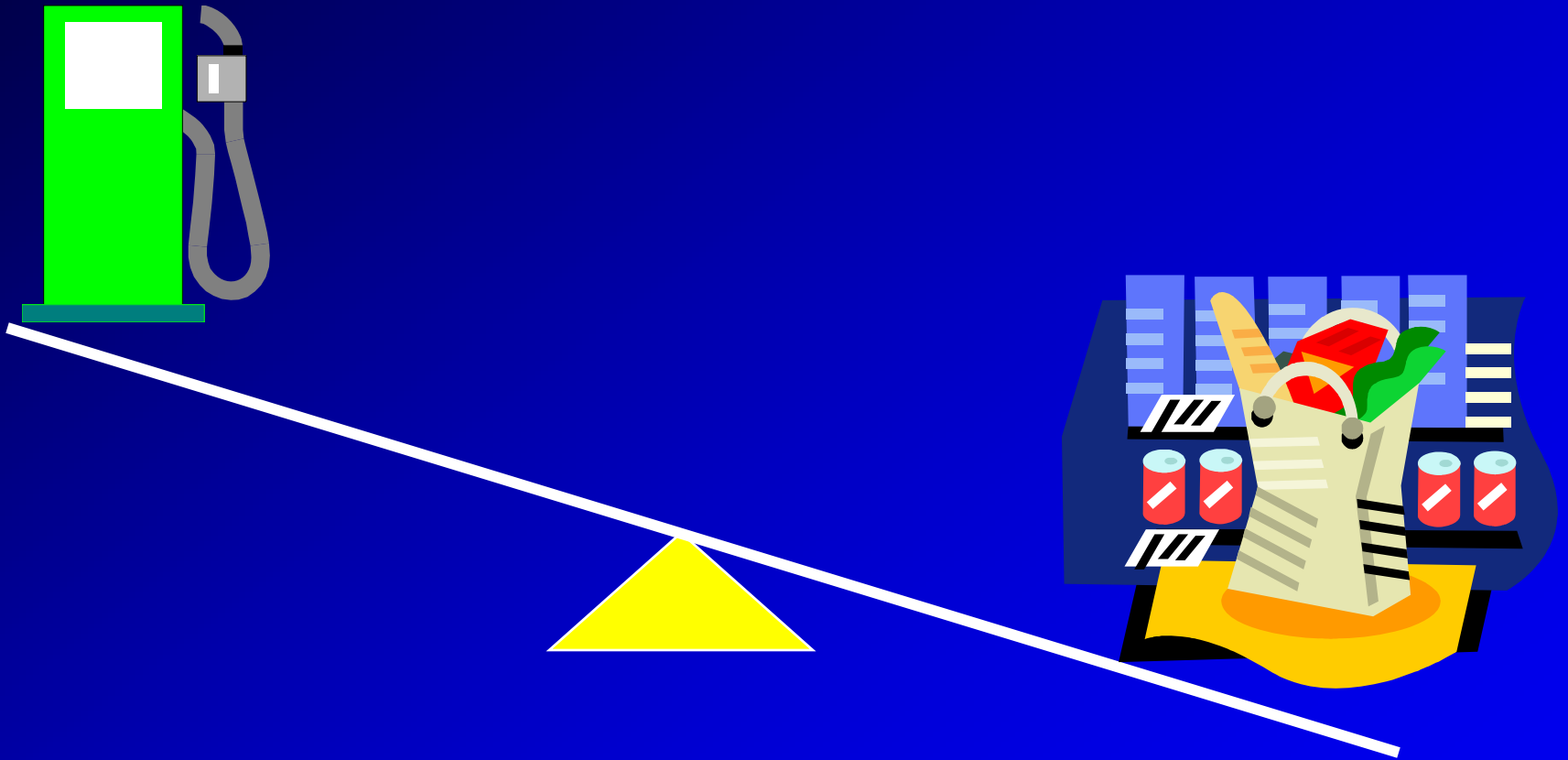


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# Agenda

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

# Your Future Position



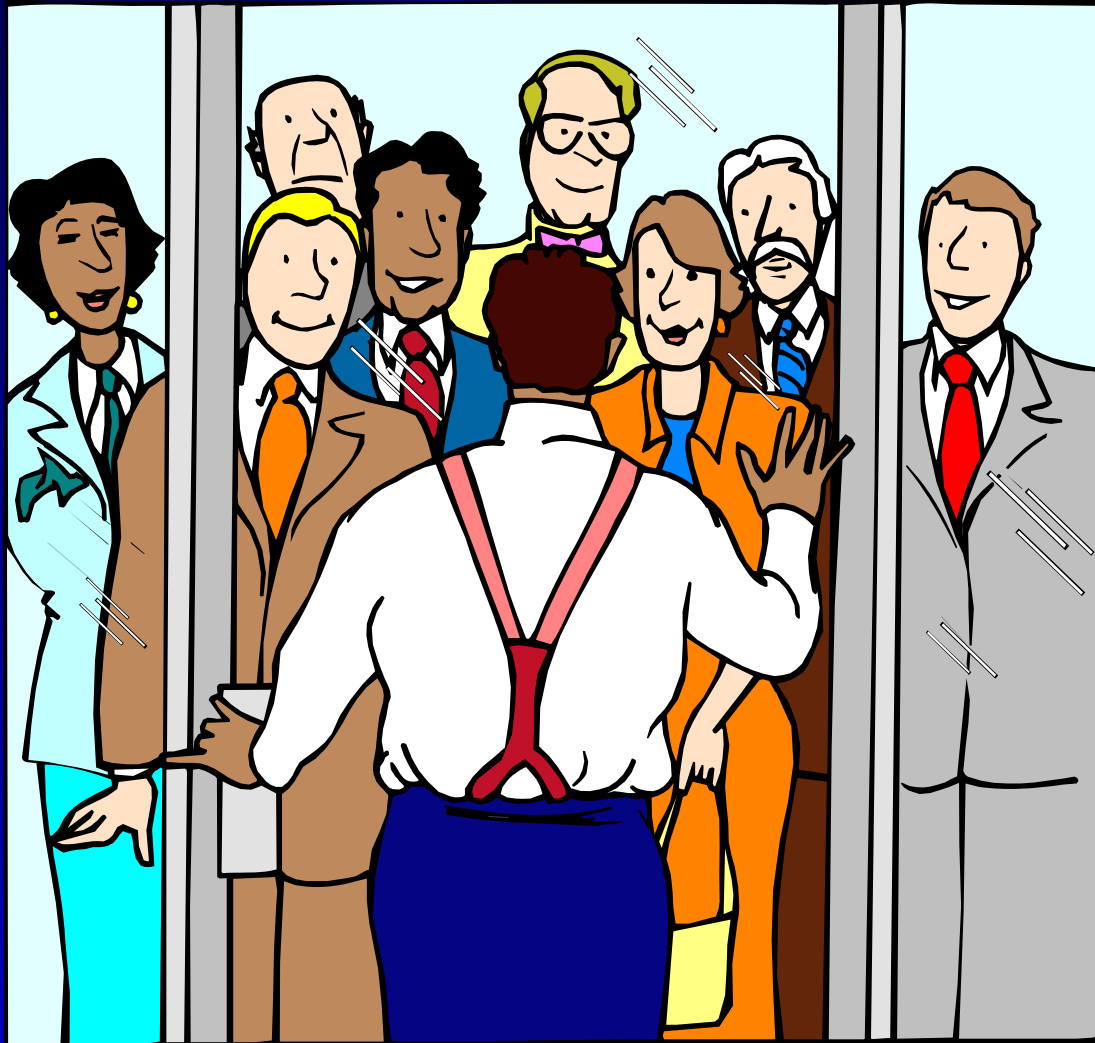
# Buying Right – Requires Knowledge

- **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

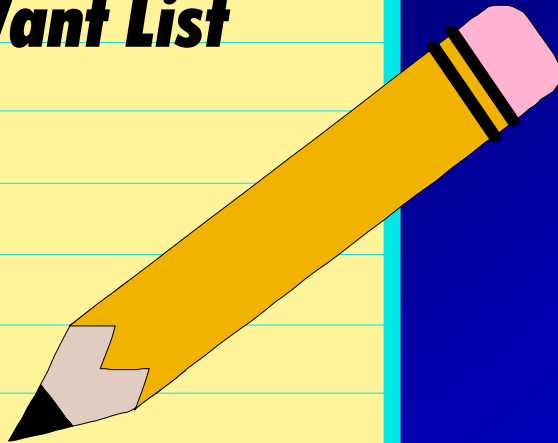


# Right Product – What You Sold

- 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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