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# **Jobbers Serving Retailers: Components of a Great Business Relationship**

November 8, 2007

8:15 a.m. – 9:15 a.m.

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**Betsi Bixby**  
**Meridian Associates, Inc.**

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THE PETROLEUM MARKETERS ASSOCIATION OF AMERICA

# Competition is fierce today!



**New and bigger competitors**

**Supply issues and price wars**

**Accelerating technological change**

**Ever changing brand strategies**

**Enormous new consumer awareness**

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***You are already  
really good!***

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# Quick Audience Survey

***Are you a:***

- Store operator?
- Jobber/wholesale marketer?
- Vendor?

# The jobber/dealer relationship

Win – Lose?

Win – Win?

Perception, not reality is what  
counts!

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**You can shear  
sheep twice  
per year, you  
can skin them  
only once.**



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# What is important to each party?

It's more than just a fuel contract at  
the cheapest price!

# Jobber wants

Every possible way to a higher profit:

- Profitable fuel contract
- High volume
- Fair price
- Longer contracts
- Predictable dispatching with easy drops
- Prompt payment
- No hassles

# Dealer wants

Every possible way to a higher profit:

- Reliable fuel at lowest price
- No business disruptions
- Working equipment
- Best terms
- No hassle relationship with jobber
- Executable ways to drive up fuel and inside sales and profits

# Key – give them what they need!

It's not about you!

See the world through their eyes...

**Obvious thing – fuel price**

**Less obvious thing – everything else!**

# Jobber/Dealer Successes

Clarity on

***TOP NEEDS AND STRENGTHS***



Then ***leverage*** and ***expand!***

# Clarify other party's needs

ASK!

- Dealer/Jobber
- Other vendors
- Employees of other party



# Clarify your own strengths

ASK!

- Top managers
- Top employees
- Best customers
- Vendors



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You are here because...

You are smart enough to  
know you can get...

***...even better!***

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What are your top 2 or 3  
biggest Jobber/Dealer  
frustrations?

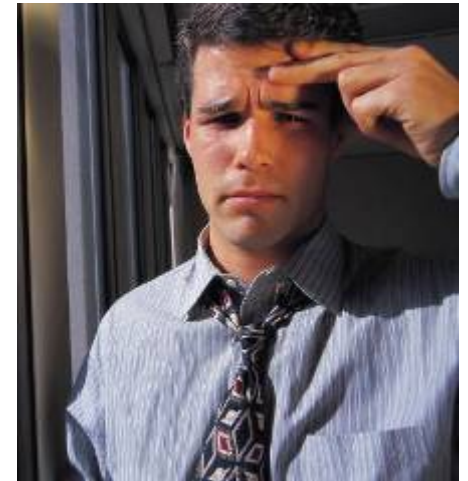
*Jot them down...*



# Your frustrations

Were they expressed as:

- Self limitations?
- Blame on someone else?
- System deficiency?

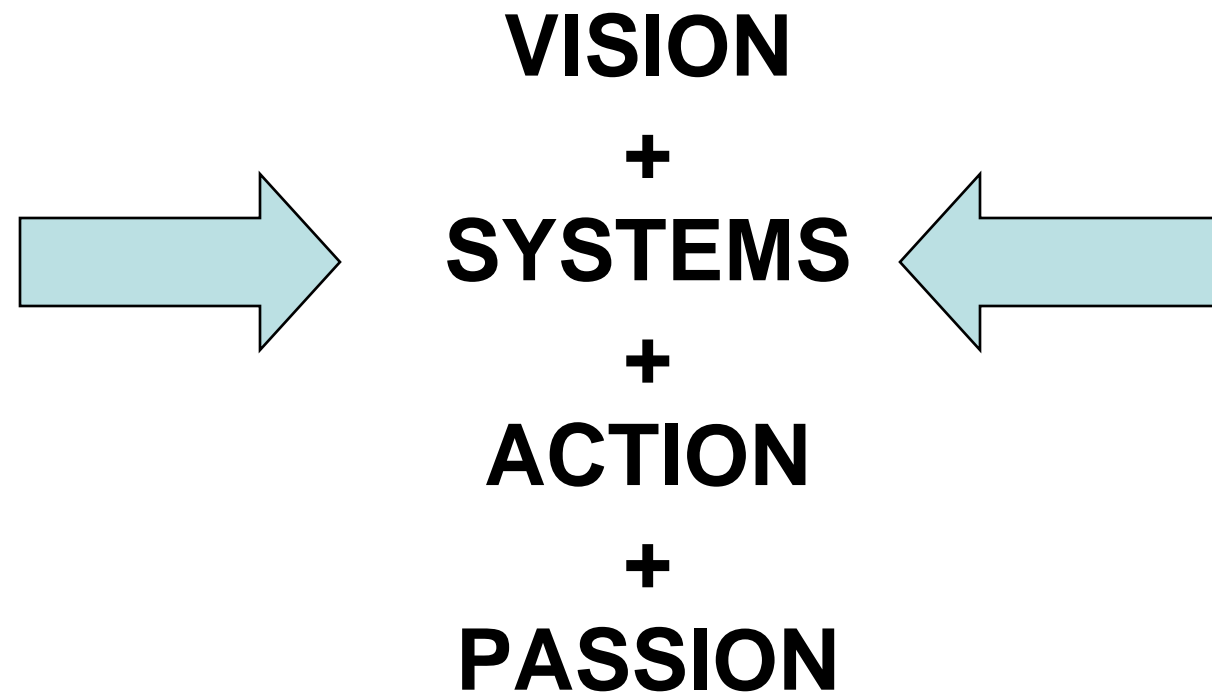


Put top frustration in systems language.

“We don’t yet have a system that \_\_\_\_\_.”

*Rather than* \_\_\_\_\_.  
(frustration)

# Meridian's Success Formula



***Extraordinary Results***

# Seven Jobber Success Examples

Grocery buying groups

Central warehousing

Site development/Image

Shared new profit centers

Financial education and benchmarking

Contracted services

Merchandising programs

# 1. Grocery Buying Group

Only works if jobber can provide:

**lower prices and better  
service**

than current suppliers!

## 2. Central Jobber-Hosted Warehousing

Assess cost/benefits

- Volume discounts
- Delivery/distribution economics
- Leverages jobber delivery strengths



## 3. Site

### Development/imaging

Dealer is going to pay someone for this service, how about it be the jobber?

Leverages jobber real estate expertise

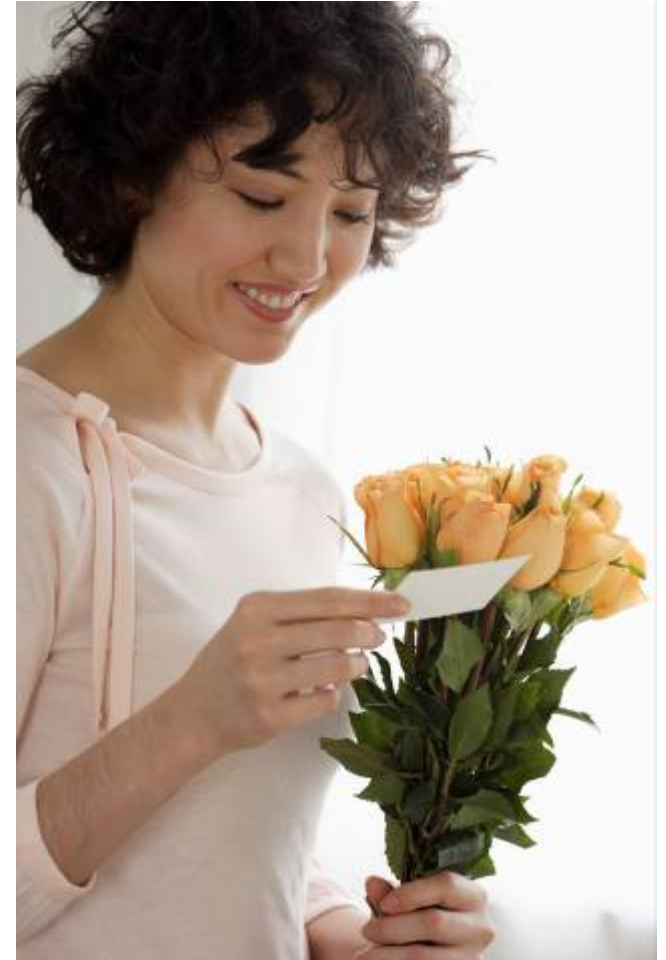


## 4. Shared New Profit Centers

Jobber provides idea, equipment, and training while dealer installs and operates

Demographics dictate what:

- Everything from check cashing to upscale floral chops and high end foods



**Equitable profit split key!**

## 5. Financial Training and Benchmarking

What better way to  
serve your dealer!

What better way for a  
dealer to become  
more profitable!



Ralph Dobson

## 6. Jobber Contracted Services

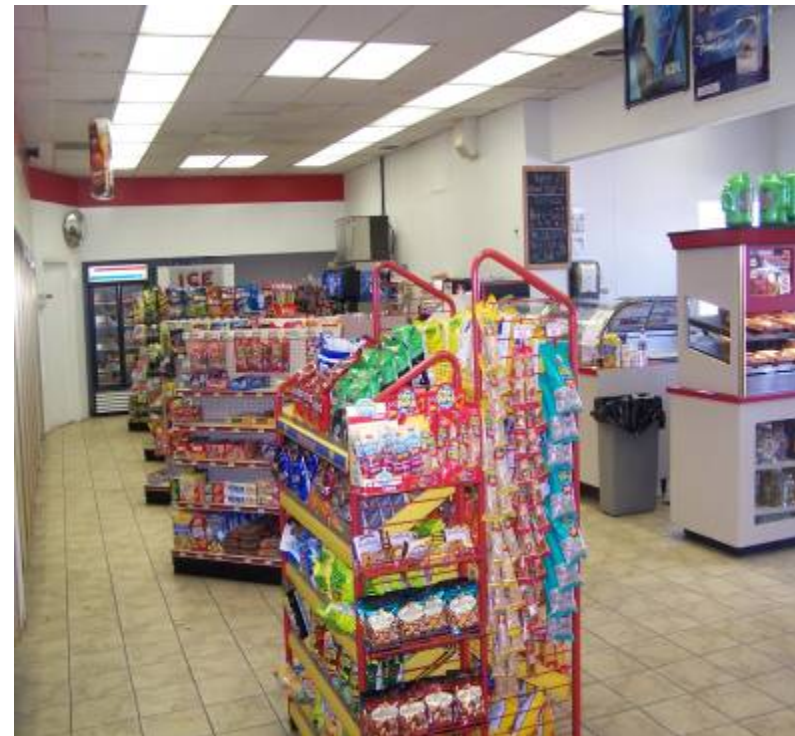
Janitorial  
Equipment maintenance  
Landscape  
Inventory services  
Lot cleaning  
Etc.

**Must be high ROI  
for both!**



## 7. Merchandising Programs

Help with what to stock  
And how to display



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# The secret to retail success...

What so many jobbers and  
dealer miss!

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# Clearly Defined Target Customers

- The most profitable store operations have them!
- Location, store design, offerings, and staffing all to achieve maximum profit from target customer group(s)



# Not all customers have Equal Value!

- Some customers make you a lot of money
- Some you break even
- Some you **lose** money!



# Maximum Value Customer (MVC)

- The “maximum value” customer should be the true boss of every business
- That MVC must be clearly defined for systems efficiency
- All systems should be designed to serve the MVC better

*Note: Our systems focus is usually on bad customers!*

# ABC Customer Analysis

**A** = MVC (15%)

**C** = Loser (15%)

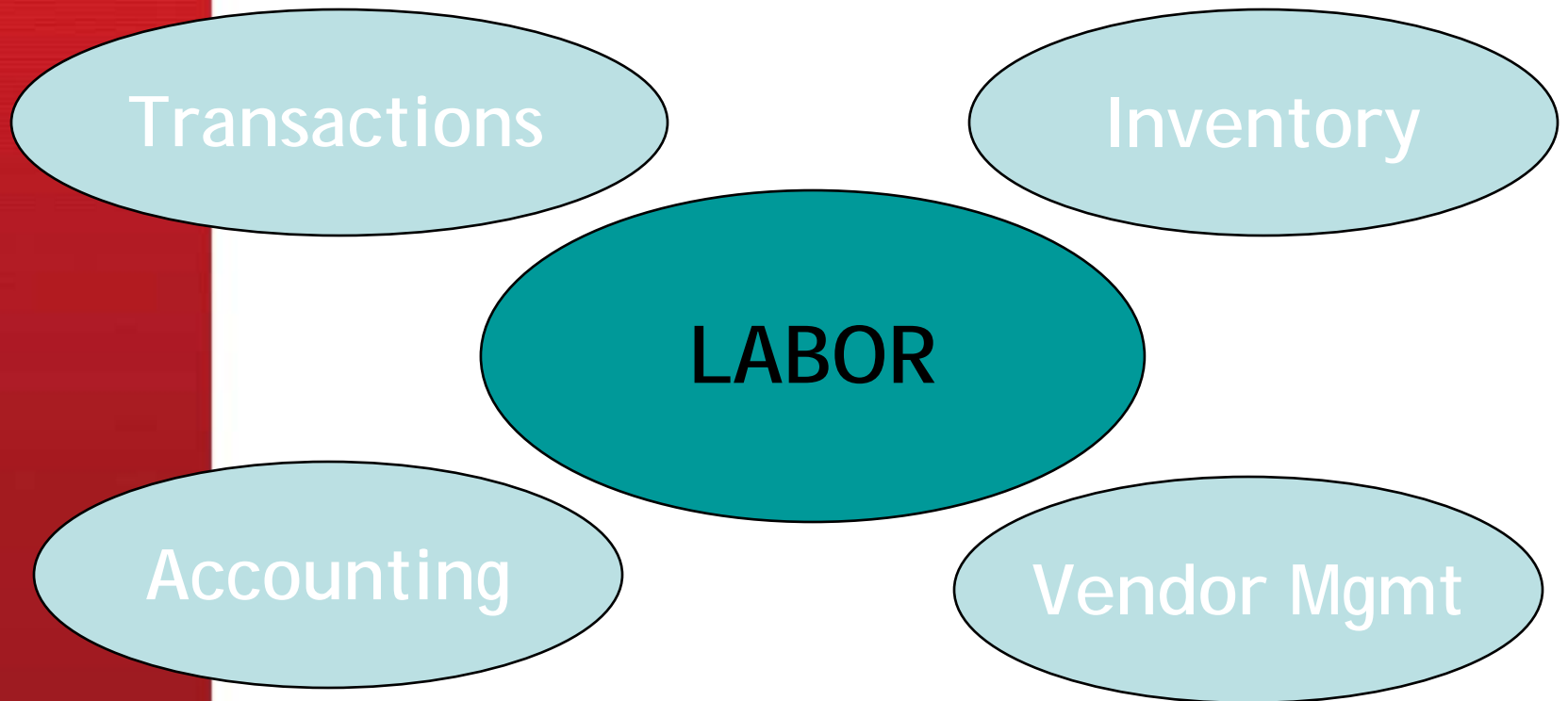
**B** = Everyone else (70%)

## *Strategy*

- Retain **As**
- Move **Bs** to **A** level
- Move **Cs** to **B** level
- Fire **Cs** if no chance of upgrade

**Ethically  
upgrade**

# Cure Retail Inefficiencies



# Exception Only Reporting

- No long reports to run



***System alerts only to items that need attention!***

# Transaction Efficiency

- Scan in and out perfectly
- No lines with error-free transactions
- Facility cleanliness that exactly meets customer expectations
- Hitting precise target labor hours
- Perfect accounting to home office
- Effective preventative equipment maintenance program



# Identify Potential MVCs

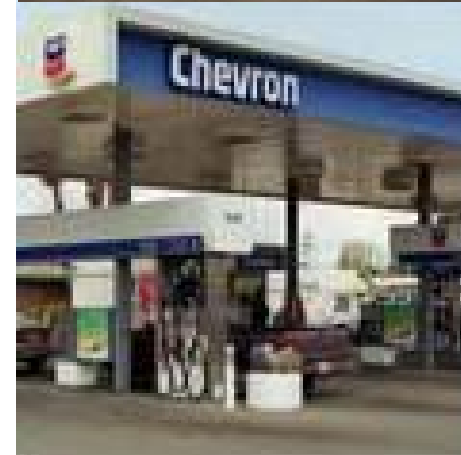
- In market area, what potential MV customers are missing?
- Why are they not a customer now?
- What would it take to make them a customer?



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Once all MVCs  
Identifies...

*Why should  
they buy from  
you?*



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# Differentiation

- You have competitors that also want your MV target customers
- Why do MVCs buy from you instead of your competition?
- ***Differentiating value proposition*** (USP)

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***What is your customer's  
experience?***

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# Next step?

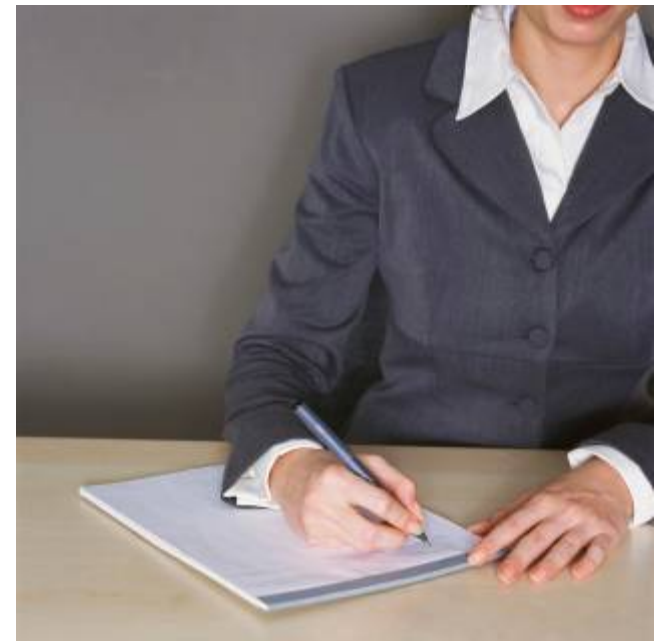
Get **needs** in writing (jobber or dealer)

Your strengths in writing

Create possible plan

Validate plan

Test!



# Change Requires Action

- Make a commitment to better relationships
- Create a written plan
- Remember the sheep!



# Definition of Insanity

*Doing the **same**  
thing over and  
over again while  
expecting a  
**different** result*



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# Thank you!



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