



CORCENTRIC MANAGED AR

Meineke Dealers Purchasing Cooperative *increases buying power* with Managed AR



Solutions:

Corcentric Managed AR

Company:

The Meineke Dealers Purchasing Cooperative, Inc. establishes vendor programs for parts and services for the Meineke dealer network. The organization is fully recognized by the franchisor, Meineke Car Centers, LLC.

Headquarters:

San Diego, CA

Industry:

Automotive

The business

The Meineke Dealers Purchasing Cooperative, Inc. (MDPCI) was formed to provide vendor programs for parts and services for the Meineke dealer network. Programs are created for the purpose of increasing center profitability through lower acquisition cost, discounts, and rebates. The organization is fully recognized by the franchisor, Meineke Car Centers, LLC.

With 780 franchise locations representing about 500 individual owners, MDPCI was looking for a way to further capitalize on its buying power. This meant searching for a solution that would simplify the billing process between dealers and vendors and offered the best scenario when it came to pricing and payment terms.

After conducting research and running an RFP, MDPCI landed on Corcentric's Managed AR solution.

The experience

Prior to engaging Corcentric, MDPCI could not operate as one unit and obtain true group pricing. Vendors were selling their products to the individual Meineke franchises and billing them all separately. This decentralized procurement and billing process was timely and costly for both the vendors and dealers.

"The vendors had to factor the individual billing, collection, slow pay, and bad debt into their pricing, and they did so," says Ron Soto, Executive Director of MDPCI. Corcentric's Managed AR is what powers MDPCI Transact, a platform for centralized procurement and billing. It has fulfilled the need to improve two important conditions: pricing and payment terms.

Franchise owners can now get better pricing on products like oil and tires because vendors see them all as one entity. The

lower pricing has convinced even the most skeptical of dealers.

"One of our dealers swore that he was buying better than anyone else including the program we put together," says Soto. "We had his supplier run an analysis on his purchases for the last year to prove that in fact that wasn't true, and that he would be able to buy better under our group buying program. When you take the highest volume dealer in the chain and prove that, it puts all arguments to bed for price."

"Once we explain to the vendors what we have going on and everything that's in place, it opens doors to better pricing and significant players"



From a payment terms aspect, Corcentric's Managed AR allows vendors to bill Corcentric directly for purchases rather than sending separate bills to each franchise location. Corcentric guarantees the payment to the vendor and then handles all the payables and collections with the Meineke franchises, eliminating administrative costs and relieving both parties of the burdens that decentralized billing presents.

Corcentric has made sure that everyone involved is satisfied with the specifics of the payment terms.

"At first we had the 15-day terms and when we surveyed the dealers, we found out that it was an

obstacle and Corcentric stepped up and extended those terms to actually be better than what's out there for vendors," says Soto.

Corcentric also ensures that members are confident with these new processes and poised for success by assisting with onboarding, facilitating dispute resolution, and providing training and technology support.

The future

So far, of the 780 franchise locations, 240 have signed up to take part in the program, and every month a few more join in. As the program grows, there are more buying opportunities from vendors, which leads to a decrease in costs.

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what we have going on and everything that's in place, it opens doors to better pricing and significant players," says Soto.

MDPCI is looking forward to continuing its partnership with Corcentric and exploring new ways to grow. Soto says they are very grateful for the effort that has gone into creating the program, so much so that he doesn't want word to get out about just how transformative it's been.

"I wouldn't recommend it to my competitors."



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ABOUT CORCENTRIC

Corcentric is a leading global provider of best-in-class procurement and finance solutions. We offer a unique combination of technology and payment solutions complemented by robust advisory and managed services. Corcentric reduces stress and increases savings for procurement and finance business leaders by forming a strategic partnership to diagnose pain points and deliver tailor-made solutions for their unique challenges. For more than two decades, we've been a trusted partner who delivers proven results. To learn more, please visit www.corcentric.com.