

Secret
Wholesale
Sources
2007 Edition

Contains strictly confidential information

Introduction

In our country today, everyone is trying to save money. No matter what you want to buy, you're always trying to find the best deal. Very few people have enough money to buy something the first time they see it. Most will shop around at many stores before buying an item, especially something, which costs over \$20. It's a fact of life that prices will vary by huge amounts from store to store. There can even be two stores right next to each other offering an item at very different prices. Most people are not getting the best price for what they are buying. In a recent survey of 300 shoppers published in the Wall Street Journal, 82% of those interviewed thought they could have made their most recent purchase at a better price if they had looked around more carefully.

None of this is new to you. You've probably already found the best bargain stores in your area to buy all the things you need on a regular basis.

However, there is something that you may not know about: did you know that you actually can buy many products at even lower prices than the best discount store in your area? How is this possible? **By buying at wholesale prices.** By buying products at the same place that your local store buys. This is what we would like to explain to you now: how to buy almost anything you need at wholesale, so that you can cut your spending by up to 50% or more.

In short, the purpose of this book is to show you how to save money on all your purchases by buying products at wholesale prices. In addition to showing you some sources for many different types of products, this book will give you some tips on how to negotiate the best prices and will show you how you can use this knowledge of buying at wholesale to make some extra income for yourself.

Finally, for those who really want to get into this as a business, which will allow you to save the most money on your purchases and have a good income outside of your present job, this book will explain the basic steps necessary to set up your own business including how you can obtain a line of credit of \$5,000 to help you get started, and where to get all your business stationery and equipment at the lowest possible wholesale prices.

For all this information, just turn the page and enjoy this journey into the world of wholesaling!

Buying Wholesale Versus Buying Discount

How much money can you really save if you buy at wholesale prices? To answer this, let's look at the profit structure of the retail market.

Most retail stores will mark up the price of their products 100%, or double their own cost. In this example, you can obviously save 50% of your money if you make your purchase directly from the wholesaler, instead of buying from the store. Essentially, by buying directly from the wholesaler, you are not paying any service premium to the retail store. The retail store can charge more than the wholesaler because it is more convenient for the buyer to find most products in a retail store than to hunt around for a wholesaler that does not have a prime storefront location in the middle of town.

Also, many wholesalers will not sell items to an individual consumer; they will only do business with an established business that will buy in volume from the wholesaler. Often the wholesaler will have minimum purchase requirements, which can be as low as \$500.00 or as high as \$20,000.00. Basically, most people accept retail prices as a fact of life because it takes some extra effort and time to figure out how to reach the wholesaler directly, and in many cases, it just is not possible to deal with the wholesaler, unless you are an actual business (which is a good way to get wholesale prices and which will be the topic of a later chapter).

Now let's look at the structure of discount pricing, which is what most people look for in saving their money. When a store offers discount prices, they will not mark up the item 100%; they will offer a discount from the full retail price of 20-40%. They still need to make a profit, so they won't reduce the price 50%, but they are making less of a profit in the hopes of getting people to do business with them. As an example, take an item that normally sells for \$100. The store paid \$50 for that item. Instead of charging \$100, the store may discount that item to \$80 or even \$60. At the lowest discount you can save \$40. However, that doesn't give you as much of a saving as buying the item yourself for \$50 directly from the wholesaler. In other words, even the best discount value will not be as good as buying the item at wholesale.

The only exceptions to this rule are liquidation or closeout sales, where the store sells the item at below its own cost, because it must regain some of its original investment in the merchandise. In this case, you may get a better deal from the store than if you went directly to the wholesaler, but these cases are not easy to find and don't occur very often.

Another point about buying from a discount store is that you have to be careful about how many of their products are really being offered at discounts. A common strategy is to lure buyers into the store with large discounts off normal retail prices on a few popular items. Then when you are in the store, many of the other items will be selling at full retail price. In many cases, you just won't be able to tell if an item in that store is full retail or discounted, since it's impossible to do price comparisons on every item when you're in the store itself.

So far, we've been using the example of a typical 100% markup. There are many types of products that are not marked up that much, but the overall principles

discussed still apply. For example, products in the electronics business are not marked up as much as gift items. In other words, an answering machine, considered an electronics product, will be marked up only 50% by the retail store. Consequently, the discount offered by a discounter of electronic goods will not be as high as 40%; it will be closer to the range of 15-30%.

Let's take a specific product, a Panasonic answering machine. Currently, one model retails at about \$50. The major discount stores are offering it for \$44 (a discount of 12%). National Wholesale Company (a genuine wholesale company to be discussed in a later chapter) offers it at \$30 (a discount of 40%). Even though the wholesale price is not a 50% discount from retail, it still gives a large saving when compared with the discount store.

The only issue we haven't addressed is the importance of volume. We have been slightly simplistic in this discussion, since we haven't considered how volume changes the wholesale price. If you buy 10 of an item from a wholesaler, the price per item will be less than if you buy 1. If you buy 1000, the price will be much less than if you buy 10. What this means is that it is possible to find that a discounter who buys in huge volume may offer a product at the same price at which you could buy it directly from the wholesaler. Since the discounter is buying from the wholesaler at a lower price than you are, he can mark the price up a little bit and still match the price you are paying to the wholesaler. This will only apply to those products where the volume is very large, and again, you must be careful about other products that same discounter is offering--they may be much higher than the wholesale price you can get yourself.

This discussion has just been a brief analysis of the structure of the retail market. It is clear at this point that it is much better to buy your products from the wholesaler than from retail stores or from discount stores. Now the question is, who are the wholesalers that you can actually buy from, and how do you find them? That is the subject of the next chapter, which lists some major wholesalers that are happy to sell in limited quantities to consumers and do not have restrictions about selling only to stores.

WHOLESALE COMPANIES

This chapter will give the names, addresses, telephone numbers, and some background information on several excellent sources for buying at wholesale prices.

Most of these sources do not require any minimum purchases. Many of them offer the service of drop shipping, which means that they will ship products to any address you give them. This is useful if you are actually running a business of reselling to customers. With drop shipping, you can have products sent directly to your customers, and you do not have to hold on to any inventory.

One of the companies, National Wholesale Company, even offers a guaranteed credit line to anyone who applies. The other companies will take accounts on credit once you have established your credit rating with them, but National Wholesale Company will extend a credit line of \$5000 to you right from your first order.

Following are the companies we've selected as excellent sources for

Products at wholesale prices.

GENERAL MERCHANDISE, OFFICE PRODUCTS, ELECTRONICS

GIFTS, NOVELTIES, PERSONAL ACCESSORIES

NATIONAL WHOLESALE COMPANY, Inc.

321A Merrimack St.

Methuen, MA 01844

978-738-8883 X102 FAX 978-738-0555 Email: support@profitbig.com

National Wholesale Company is probably the best wholesale company to begin with, because they offer a huge selection of products at excellent prices and they provide excellent support services for starting your own business.

Products: National Wholesale Company, in business since 1982, carries over 61,357 products in its office products division, and over 4,300 products in its novelty merchandise division. Office products include equipment such as computers, copiers, fax machines, paper shredders, telephones, answering machines, cash registers, typewriters, calculators, and office furniture. In addition to equipment, National Wholesale Company carries a full line of accessories such as paper, pens, forms, file folders, ribbons, computer disks, and virtually any product you would need in an office. Finally, as part of the office products division, there is a wide selection of electronic products, such as TV's, CD players, Walkman's, VCR's, and many other consumer electronic items. All of these electronic products are featured in their 830+ page office products catalog.

All of the products carried in the office products division are well-known brand name items, backed up by full manufacturer guarantees. The brand names include Sharp, Ricoh, Magnavox, Toshiba, Casio, Panasonic, Hewlett-Packard, GTE, Parker, Cross, Sony, JVC, Brother, Pioneer, Olympus, Hitachi, and many more.

The novelty merchandise division carries a wide range of gift and novelty products, including jewelry, decorative glassware, porcelain figurines, hand-

carved decorative items, cutlery, miniature, brassware, toys, luggage, lamps, auto accessories, household accessories, and many other high impulse purchase items popular in the mass market. All of these novelty products are featured in a 300+ page full color catalog.

Services

National Wholesale Company has no minimum ordering requirements; it offers drop-shipping, toll-free credit card ordering, un-imprinted catalogs, full marketing support, and professional consultation to its dealers.

In addition, National Wholesale Company offers a guaranteed line of credit, which works in the following way. Once your application for a credit line is received, you may order any product from the novelty merchandise division with only a partial down payment and the balance on credit, which can be paid off net 30. You can automatically qualify for a starting \$5,000 credit line by simply sending in the application found at the back of this book.

Finally, National Wholesale Company offers a special introductory business package for those who want to set up a business reselling their products.

For \$149.99, they will send you an executive business package, which contains the following features:

- A dealership number which allows you to purchase any of their products at true wholesale
- Unlimited free consultation in setting up your business
- The \$5,000 line of credit (call 978-738-8883 X102 for full details)
- 1 830+ page full color catalog from the office products division
- 1 300 page full color catalog from the novelty merchandise division
- Several special full color sales flyers that help increase sales
- Free advertising and layout service
- Leasing program available on many computer products
- Complete marketing and advertising support
- Many ways to profit including; mail order, the internet and sub wholesaling

To order this special Partner in Business dealership, designed to set you up immediately in your own business, use the order form included at the end of this book.

AUTOMOBILES

Automobiles

American Automobile Brokers, Inc.

24001 Southfield Road, Suite 110

Southfield, MI 48075

248-569-5900

Fax: 248-569-2022

In business for over 30 years, American Auto Brokers, Inc. sells and leases domestic and foreign cars, trucks, and vans at discounted prices and has your dream vehicle factory-delivered to a new car dealership near you with the paperwork done, ready to drive away. Your savings depends on the prices in your area.

BOATING SUPPLIES

E&B MARINE SUPPLY

201 Meadow Rd.

P.O. Box 3138

Edison NJ 08818-3138

800-BOATING

201-819-4600

E&B Marine Supply has the lowest discount prices for a large variety of boating supplies. They offer products for power and sailboats. They even sell life rafts, dinghies, and rowboats. Along with equipment for boats, they offer a full line of clothing.

JEWELRY

Eastern Jewelry

2545 Chandler Avenue, Suite #2

Dept. BBS

Las Vegas, NV 89120
702-736-3525
Fax: 702-736-2347

All of the earrings, brooches, bracelets, necklaces, pendants, and rings in Eastern Jewelry's collection are made with 14-karat gold over sterling silver, and most of the jewels are genuine. Eastern Jewelry is really a wholesaler, but they will sell to individuals too. The prices here reflect radical discounts from the usual retail price.

Wedding Ring Hotline
172 Rt. 9
Englishtown, NJ 07726
732-972-7777
Fax: 732-972-0720
Online: www.weddngringhotline.com

Wedding Ring Hotline makes it possible for you to buy wedding bands, diamonds, and engagement rings factory-direct at savings from 30%-70%. Manufacturer of its own line of classic-style rings, Wedding Hotline offers selections in yellow and white gold, as well as Comfort-fit wedding bands.

U.S. GOLD CHAIN MFG. CO.

11460 N. Cave Creek Rd.

Phoenix AZ 85020

602-971-1243

U.S. Gold Chain Mfg. offers low factory prices for gold chain by the inch. They provide all materials you need to start your own gold chain business: chains, display, signs, jewelers' tools, clasps, and instructions. The chain is 14kt gold layered and comes with a lifetime guarantee. This business can be set up without any previous jewelry-making experience. Contact the company for more details.

FURNITURE

Carolina Interiors
115 Oak Avenue
Kannapolis, NC 28081
704-933-1888
Fax: 704-932-0434

Online: www.cannonvillage.com

Carolina Interiors offers 30% to 60% off suggested retail prices for items such as furniture and accessories for dining rooms, living rooms, and bedrooms,

complete with wall coverings, floor coverings, rugs & bedding. The brochure and website list some of the best-known names of over 350 manufacturers you can choose from.

CHERRY HILL FURNITURE, CARPET & INTERIORS

P.O. Box 7405, Furnitureland Station

High Point NC 27264

800-328-0933

919-882-0933 (in North Carolina)

Cherry Hill carries a full line of furniture, accessories and carpeting for home and office. They represent over 500 different manufacturers, and offer a discount of 35-50% from retail on all their items. They have been in business since 1933. Contact them for a list of brands they carry. The best way to use their services is to look at your local store to see what item you want, and then contact them for the price.

SHELDON CORD

2201 West Devon Ave.

Chicago IL 60659

800-621-7999

Sheldon Cord, in business for over 40 years, offers a wide selection of furniture, including living room, dining room, bedroom, and kitchen sets. They sell to retail stores all over the country, but offer true wholesale prices on all their items to individuals. Contact them for a catalog.

CARPETS

BEARDEN BROTHERS CARPET CORP.

4109 South Dixie Highway

Dalton GA 30721

800-433-0074 404-277-3265 (in Georgia)

Bearden Brothers, in business since 1965, offers carpet from 86 major mills at 50-80% off of retail price. They only carry first quality carpets, no seconds, with

full manufacturer's guarantees. They will ship carpets nationwide using the least expensive shipping service to your area. Shipping will be approximately 35-40 cents per square yard. The best way to use their service is to go to your local carpet store and decide what manufacturer, what

style, and what color you'd like. Then call Bearden Brothers and order from them at a savings of 50% or more from your local store. They will also sell you the padding for the carpet at tremendous savings off of retail.

S&S MILLS

P.O. Box 1568

Dalton GA 30722

800-241-4013 EXT. 65

S&S Mills is a carpet manufacturer that sells its carpets to you at the mill price, which means you save from 50%-75% of the retail store price. They are one of a few companies that will sell directly to the customer, without requiring that you go through a retail store. They have no minimum order and carry a wide variety of carpets for home and commercial use. Contact them directly and they will send you free samples and a complete price list.

CLOTHING

Chadwick's of Boston
Box 1600
Brockton, MA 02403-1600
800-525-4420
Fax: 800-448-5767

Chadwick's of Boston, the "original off-price catalog", is full of tremendous deals for women. You'll save up to 68% here on sweaters, khakis, skirts, jeans, business suits, coats, and in materials such as wool, cotton, suede, silk, and rayon. You could buy a seasonal wardrobe here for very little money by mixing and matching separates.

Sportswear Clearinghouse
PO Box 317746-BWBM
Cincinnati, OH 45231-7746
513-522-3511

Sportswear Clearinghouse sells items such as T-shirts, caps, casual sport shirts, and socks imprinted with company logos, team names, and advertising slogans for 70% less than what you would find in a store. Non-imprinted items, such as

sweatshirts are also available at good prices. Sizes run from youth XS to adult XXXL.

MASON SHOE MFG. CO.

Chippewa Falls, WI 54729

800-826-7102

Mason Shoe offers over 400 men's and women's shoes for dress, casual, and work. The prices range from \$25 to \$135. They have a special program for dealers, who can earn a commission of 20% on shoes they sell, without investing in any inventory.

Starting Your Own Business

Up to this point, we've discussed how you can save money on all your purchases by buying at wholesale prices. Now we'd like to discuss one more step you can take to insure that you never have to pay retail for any purchase again.

Setting up your own business is a great way to save money. **In addition, it's a way you can actually make more money, even if you already have a job. By having your own legitimate business, you come out ahead both in spending and in earning.**

First of all, what are the advantages of having your own business? The main advantage in terms of saving money is that you will gain access to suppliers that you could not have access to as an individual. There are many companies that just will not sell to a consumer; it's against their policy. If they did sell to consumers, they would be competing against the stores they are selling to. But once you are set up as a legitimate business, you become automatically qualified to do business with many of these suppliers.

As an example, when you have a business, you can go to trade shows, where suppliers display their products for all the retail stores to do their shopping. At these shows, suppliers will actually write up orders, often ignoring any minimum requirements they normally have for retail stores. They understand that stores must have samples to take back to their colleagues to study and decide if they want to carry the product in their store. This means that you can order samples from these suppliers at true wholesale prices. You could never do this without having a real business.

Another major place that you gain access to is the permanent showroom in your area for all the wholesalers. All major cities have a large merchandise mart, where all the suppliers can display their products on a permanent basis. With a

business card or a certificate showing that you own a business, you can gain access to these showrooms. Without a genuine business of your own, you would not be allowed to visit these showrooms.

To find out where these showrooms are, you can either look under "wholesalers" in your yellow pages, or ask one of your local stores where they do their buying.

To find out about the trade shows, you can ask the wholesalers or the stores. In addition you can contact the association related to the area you are interested in, such as house- wares or giftware. These associations know what major trade shows are coming up in their product area. The addresses and telephone numbers of these associations are listed in a huge directory called the Encyclopedia of Associations, which you can find in your local library (the librarian will know about this book). At your library, you can also look for magazines that are specifically geared toward a particular type of business, such as Gift Reporter for the gift industry, where there will be listings of upcoming trade shows.

Another excellent reference source is the Wholesale by Mail Catalog, which lists 1,000's of wholesale sources with discounts of up to 90% off list prices. You can find out more about this valuable reference tool at the back of this book.

To set yourself up as a business is very simple. All you need to do is contact your local county clerk's office for the details. The regulations vary from state to state, but generally you will be required to register your company with the county clerk and pay some small registration fee. In addition, you'll need to apply with your state's taxation department for a sales tax number, which allows you to collect sales tax from your customers and which allows you to buy merchandise that you are reselling, without paying sales tax yourself. These steps are very simple and will be explained fully by your local county clerk's office.

After registering your company, the only other thing you need is professional stationery and business cards. This is vital, especially when you are just starting, because it is the main impression that suppliers will have of you. Sometimes, a business card alone is all that you need to enter a trade show. This should be your first investment in your business. (One excellent way to get both stationery and business cards is to take advantage of the special offer by National Wholesale Company for stationery and business cards, which is listed at the end of this book as part of the business executive package.)

Once you have registered your business and have printed your stationery and business cards, you'll also want to open a separate business bank account, so that all your checks are written on a company account. Again, this goes a long way towards building credibility with suppliers. Another step to take is to install an answering machine, to handle calls while you are gone. The machine can give your company name as part of its message, even if you are starting out with your

home phone. Eventually, you'll want to install a separate phone line, but this is not necessary in the beginning. Again, the answering machine can give added credibility to your business, in addition to making sure you don't miss any important calls. (And you can buy your answering machine or any other business supplies at wholesale prices from National Wholesale Company.)

Now you are really ready to start doing business. You can approach any supplier and start buying samples at wholesale prices--any wholesaler will be happy to sell to you if you tell him you are thinking of marketing his product as part of your product line.

Another way having your own business helps save you money is in taxes. You can deduct any legitimate business expense from your income. Many expenses you would normally make anyway, such as travel or food, can now be deducted from your income if they are related to your business activities. You need to consult with an accountant for the details, but this can represent significant savings. This gives you an idea of how you can save money by setting up your own business. In our next chapter, we'll discuss more about how to make extra income with all this knowledge about buying at wholesale prices.

If you have additional questions about setting up a business, National Wholesale Company's **free** consultation service may be just what you need. You can sign up for their service at the back of this book.

Tips on Negotiating with Suppliers

One of the most important elements of increasing profits for you and your business is reducing your costs. This is as important as increasing your revenue. This area of cost reduction should never be overlooked, because it can yield very large profits to you. For your business to really enjoy the maximum profits, you should know some basics on negotiating prices with suppliers. That is the purpose of this chapter.

Now that you have a list of suppliers for virtually any product you might want to buy or sell, it is time to discuss negotiating prices. All the ideas in this chapter have been gathered from conversations with executives in wholesale firms.

No Price is fixed

No price is fixed when you're dealing with a wholesaler. This is unlike a retail store, where prices are clearly marked and rarely changed by bargaining. The wholesaler is always charging different prices to different customers (based on their volume), so he is much more flexible in his pricing.

Knowing that prices are not fixed is the basis for beginning any bargaining.

Develop A Good Relationship with the Supplier.

This one rule, developing a good relationship with the supplier, is probably the most important one you'll ever need, especially if you plan to do business with a supplier over a long period of time.

The reason for this is simple. If a supplier likes you and sees you as one of its better customers, they will be more likely to let you know about special deals they have in the future, such as company promotions, overstocked items, or new hot products. Any time they have a special deal that is limited, they will offer it automatically to their best customers. If you're on that list, you'll end up saving more money than most other customers. Also, once you've established a relationship with the supplier, they will be very happy to give you the very lowest possible price they can afford, because they value your business.

At times, it may be more important for you to put this relationship ahead of saving a few more dollars on a particular item, because the relationship will save you hundreds, even thousands of dollars over a long period of time.

To develop a good relationship takes common sense. First of all, try not to be unrealistic in your demands. You have to recognize that the supplier needs to cover his expenses, and must make some profit. If you try to squeeze a supplier too much in demanding a better price, you can ruin the relationship. There's nothing more aggravating to a supplier than someone who is completely unrealistic in his demands.

The best way to develop the relationship is to find one sales rep and stick with him or her. Making a personal contact will make everything much smoother for you, and will ensure that you get the best prices. Because the sales rep works on commission, he will do everything he can to help you do more business. He will take a personal interest in your business, because he knows his commission depends on how satisfied you are. If you are always talking to different reps, they will not know you and how much business you are giving them. People by nature are more conservative when dealing with strangers.

Always ask for 5-10% off the First Price

When you first contact a supplier, you can expect him to give you a price, which is about 5-6% more than what their regular customers get. This is because you are new to them and they need to make as much as possible on each sale. You should expect this and never accept the initial price offered. Start by asking for the 5% reduction, and then try for 10%. You need to persuade the supplier that you are very serious about his products, and that you expect to do large volume with him. Just say that now you are testing the waters with a small order, to see how the product works, how efficient the shipping is, and how reliable the

company is. If you can convince him that you may give him a lot more business in the future, you can easily get that 5-10% reduction on your first order.

Order in the Largest Quantity Possible

Make yourself seen as a quantity buyer as much as possible. This means that it's better for you to order 1 dozen of an item once a week than to order 3-4 items each day. Even though the overall quantity you are ordering may be the same when you order on a daily basis, you are perceived as a larger buyer if your orders are for a dozen at a time. It is the high volume buyers that get the discounts, and it's therefore in your interest to make your orders as large as possible.

Of course there is a need for some moderation here. It is not a good idea to be stuck with lots of unsold inventory. The smaller you keep your inventory, the better off you'll be in the long run. You have to find the proper balance for your business between volume orders and small inventory.

Always Know the Competitors' Prices

Before talking to your supplier, you should do some comparison shopping with all the competitors. If you know exactly what someone else is charging for the item you want, you can get your supplier to at least match that price or even beat it. When your supplier knows that you've done your homework, he won't be able to quote any prices that are too high.

In your price comparisons, be careful of unrealistic prices. The rule is that if something seems unreasonably priced, it probably is. Some products will be incredibly inexpensive due to the fact they are out of stock or refurbished, or because there is an unrealistically high shipping charge.

For an out of stock product, the supplier may be selling it below his cost just to get rid of the product. In this case, you should be asking why the product is being discontinued. Maybe there is no market for the product, in which case you probably don't want to get involved in marketing it.

If the product is refurbished, it means it had some original defect and has been repaired by the manufacturer so that it's almost as good as new. Even though it may operate fine, there are laws about not charging full price for refurbished products. If you are buying for yourself, this is a way to get good deals. If you are buying to resell, you may want to reconsider having to sell something that started out with a defect.

Finally, a supplier may be charging an extremely low price for a product, but then adding a huge shipping charge. This is often done just so the price seems low at

first to the customer. You should become familiar with the actual shipping costs of any item based on its weight. If you have a good idea of how much an item should actually cost, you can tell a supplier that his shipping charge is out of line, if it's too high. In general, anything under 20 pounds can be shipped anywhere in the U.S. for less than \$15.

Establish Credit as Soon as You Can

Obviously, having credit with a supplier can help your cash flow tremendously. The best way to establish credit is to give the supplier several orders with cash payment. After he has seen several orders from you, he will gain some confidence in you. Then you can ask for a credit on a small order. When he lets you have credit, be sure to pay promptly. If you delay on even one payment, the supplier will start to become suspicious and may take away this service.

Establishing credit with your supplier is also useful in building your credit rating. It will be easier and easier to establish credit with new suppliers once you've already established credit with one or two. A great opportunity to establish some credit without any previous experience exists with National Wholesale Company. They are offering a partial credit line to anyone without doing a credit check. All you need to do is to fill out the order form at the end of this book. This is a great way for you to establish a credit history very quickly.

Conclusion

Never underestimate the power of cost reduction in increasing your profit. Even a 10% reduction can give a huge boost to the profits. Always look around for better prices, and always maintain the best relations with your suppliers. Following all these simple guidelines will guarantee you the lowest prices on anything you need to purchase.

Tips on Selling Large Volume

This chapter will deal with some ideas for selling in large quantities, once you have established your sources of supply. The main topics discussed will be setting up a network of sales reps, marketing through the mail, and selling to retail stores and other businesses.

In this chapter, we will discuss how you can really profit from these new wholesale sources which you now have. We will show you how to turn this knowledge into large profits for your new business. At this point, you already have the information needed to set up your own business. You should start all the application procedures right away for your own business, but in the meantime you can already begin contacting your suppliers.

The best way to test out the products from a supplier is to order their catalog, if they have one you can use, and begin showing it to your family and friends. This will give you a preliminary feeling about the appeal of the products. Some of the wholesalers (such as National Wholesale Company) will have un-imprinted catalogs that list the retail prices. This is a great tool for you in your testing stage, because you can show the catalog around and even offer discounts off of the retail price to see if anyone will actually purchase the products. It's one thing if someone tells you they like a particular product; it's completely different if they actually pay for the product.

This technique of showing the catalog to family, friends and even co-workers and taking orders from them has another advantage besides giving you a good feeling of the market for these products: it also is a way for you to start making some money right away in your business. You can actually take the money from your new customers before you place the order. Then you place your order with the wholesale company, and have them ship the product directly to your customers, if they offer this service (National Wholesale Company is one that offers this service).

The other important advantage to beginning your business with family and friends is that it builds up your confidence in running your own business. Once you see how easy it is to make sales when you offer a good deal to people, you will have the confidence to proceed to the next step: marketing to the public at large.

To generate a lot of sales, it is obvious that you must do more than just sell directly to individuals on your own. You must expand your market beyond your own territory of friends and acquaintances. It is a good idea to begin with your friends and family to get some initial feedback on your products. However, you must move into a larger market to really make your business worthwhile.

Setting Up a Network of Sales Reps

One of the simplest ways to expand is through a network of sales reps. you can offer to pay someone a commission of 15-20% for every sale they make. This allows you to keep anywhere from 20-30% for yourself. All you do is provide catalogs to the sales reps (you can even sell them the catalogs so that you don't have to take on that expense). They take the orders and give them to you, so that you can order from the supplier. Many suppliers will then ship the products directly to the customer, which means you don't have to handle the products yourself. You can see that even though you are making less money on each sale (about 25% versus the 50% you'd make if you sold directly to a customer), you are making more money overall if you have many sales reps working for you.

To find sales reps, you can start with your family and friends. Many of them might be happy to show a catalog around to some of their acquaintances, if they can

make some money on the side. After starting that way, you can branch out by placing some classified ads in the paper or magazines to find sales reps. Write something simple, such as "Need to make some extra money? Here's a simple way (telephone or address)". Or you could be more explicit: "Make extra money by selling a huge line of fast-selling gift items. Details, contact (telephone or address)". Look at some magazines and you'll get some ideas for how the ads are written.

The main ingredient to success with sales reps is to provide them with materials, which are easy to use, such as catalogs with prices clearly marked. If you have the right marketing materials and the right products, there is no reason you can't create a network of sales reps, which expands throughout the country.

For those who are more serious about setting up a professional sales network very quickly and who have some money to invest in this, there is a service, which can locate sales reps for you in any part of the country you desire. The company, called Gift Marketing, has a computerized database which includes most of the professional sales reps in the country. It mainly handles gift items, but also includes almost all other categories of consumer products, such as house-wares, office supplies, auto accessories, and electronics. Their service is fairly expensive, but is a great way to set up a sales network quickly. Their address is Gift Marketing, 735 Sunrise Avenue, Suite 215, Roseville CA 95661, telephone 916-784-2300.

Marketing Through Mail Order

Another way to increase your sales volume is to use mail order as a marketing technique. It has the obvious advantage that your market can become virtually unlimited, if you sell through the mail. Basically, the whole country becomes your market, instead of just your local area. Mail order also has the advantage that it does not require a large amount of capital. You can test ads for just a few hundred dollars. It also allows you a larger profit margin than selling through sales reps.

To thoroughly cover this topic is beyond the scope of this book, but we can give a few broad guidelines and can recommend where you can get more information.

The best way to start is to find a product that you like which is not very easy to find in stores. Then create an enticing offer for this product, which includes some kind of bonus or some kind of special limited discount. With your offer, put together an ad, which emphasizes the value of the product to the buyer, or gives a reason to the buyer why he must have it right now.

Place your ad in only one magazine as a test. Pick the magazine based on other similar ads being in the magazine. Have a follow up product ready even before you place the ad, or have a catalog ready that you can send to the customer.

When you receive orders, be sure to fill them right away, and include with the product an ad or catalog to sell more products to the same customer. If the ad makes a good profit, branch out into other magazines.

The final topic of this chapter deals with selling to retail stores and businesses. This can be a very large market, but is only possible to take on if you have a certain type of supplier. If you want to sell to a retail store, you must find a supplier who is set up to help you do this. In most cases, the retail store is already buying from the same supplier you are dealing with, and therefore there is no way you can make money by selling to them.

In this way, the world of wholesaling does open up to you. It can be very profitable, especially if you can find a supplier that is not yet widely known among retail stores (such as National Wholesale Company), and that offers a program for you to be a representative. Because this is such an interesting field, we have set aside the next chapter to discuss some basic features of this market.

MYTHS AND FACTS ABOUT WHOLESALING

Wholesaling (selling products in volume to retail stores) is a very profitable business, if you have a good product, some patience, and like to deal with people. Let's say you are selling office products and supplies. To get an idea of how large the market is in your area, just take a walk down one of the streets in town and count the number of stores you pass. All of these stores, including gift stores, office supply stores, stationery stores, electronics stores, camera stores, computer stores, convenience stores, luggage stores, novelty stores, and book stores will probably carry some type of office supply. They must buy these products from someone and, most likely, they are buying from someone in their area. In fact, they are probably buying from many different companies.

After you have counted all the stores that could be buying from you, start looking for small businesses in your town, such as the dentist, the doctor, the lawyer, the accountant, the insurance agency, the real estate agency, and even other general wholesalers. All of these businesses would like to buy all their office supplies at wholesale prices; they are also part of your market. Now you can see why wholesaling can be very profitable; the market in one small town is quite large--and you don't have to limit yourself to one town.

There are many misunderstandings about wholesaling, which I'd like to discuss in terms of myth versus reality.

Myth: To be successful in wholesaling, you must have a large inventory, which means you must start with a large capital investment.

Fact: It is not necessary to have a large inventory. In fact, it is better to have as little inventory as possible, so you are not tied down to a certain

product line. The best way to keep inventory low is to find a supplier who will keep the inventory for you and allow you to take delivery only as you get orders. Some will even drop-ship the order directly to your customer, so that you never have to take delivery at all. One company in the example of office supplies is National Wholesale Company. They will hold the entire inventory for you, take orders in small quantities, and even drop-ship direct to your customer.

Another way to avoid inventory is to function as a representative, who collects a commission on each product sold. In some cases, all you have to do is find a buyer and connect him with your supplier; then you collect a commission on all subsequent sales, even though you may not be involved in the order taking. Again, this is a service that is provided by National Wholesale Company--they will give your customer a special account number, and whenever that customer places an order with National Wholesale Company, your commission is automatically calculated and sent to you.

Myth: Most stores are already getting the best possible prices and it is difficult to convince them to switch suppliers unless your prices are significantly lower than the lowest prices.

Fact: Most stores don't have the time and personnel to hunt out the best prices. There's no way they can always find the best possible price--they are too busy running their store and attending to customers. All they really care about is the profit they make.

You can get a sense of how varied prices are by looking at a few items in several different stores and comparing. You'll be amazed by the disparity. Some stores will charge as much as 50% more for the same item that is being sold just down the block. This fact alone, that many stores are paying much more than what you can offer to them for the same product represents a tremendous opportunity. If you can show them that your prices are better than what they're already paying, and that you will be there to handle their account if there are any problems, you have just made a sale. And not just one; but probably many sales in the future.

Again, as an example, National Wholesale Company can provide your customers with quality merchandise at a cost that is probably much lower than they are already buying. Of course, if a store is part of a national chain, such as Wal-mart or Kmart, it will be very difficult to sell to them; they will be dealing directly with the manufacturer. However, for the smaller, locally owned stores, you have as good a chance as anyone to become their supplier.

Myth: Stores make all their purchases on the basis of price alone.

Fact: Price is only one consideration. The store is also looking for someone they feel they can trust, for someone who can provide good

service, for someone who will take returns of damaged merchandise, for someone who will provide good credit terms, for someone who can provide many different items.

One of the most important factors is whether the store buyer likes you or not. If he doesn't like or trust you, it doesn't matter how low your prices are--he won't buy. If he likes you and trusts you, he won't mind paying a little extra. This is especially true if you provide extra service, such as visiting more frequently to see what items he needs to restock.

Another key consideration is how many products you carry. Again, because the store is very busy just running the store, he doesn't want to have to talk to 100 people for the 200 products he carries in his store. He'd rather deal with just one or two people, and place all orders with them. In this case, it is important to have a large line of products.

As an example of this, National Wholesale Company is a good choice of supplier because they carry a complete line of office supplies and equipment--over 5000 different products.

Myth: Stores will only pay 50% of the retail price on any item.

Fact: The margin varies from product to product and from store to store. Some products, such as electronics, have much smaller margins, more like 35% of retail. This is just the standard in the industry and you can find out the exact margin from your local stores. Some stores are very happy with a 40% margin in general. Again, this is something you have to find out directly from the store. Of course, you have to be discreet, because they may want to tell you they buy at a 50% discount when in reality they only get a 40% discount on their items.

Myth: It is not possible to sell brand name items to stores. The stores buy direct from the manufacturer.

Fact: Smaller stores can not buy brand name merchandise from the manufacturer because there are certain minimum buying requirements. For example, Panasonic may only sell directly to someone who buys \$100,000 worth of merchandise in a year. In order for a smaller store to carry a brand name, they must buy from a local dealer who carries Panasonic; they can't go directly to Panasonic.

This means you can sell brand name items if you work with a dealer who carries them.

Again, National Wholesale Company is a good example of a company you can work with. They buy direct from Panasonic (and many other manufacturers)

because they buy in large volume. They have set up a program where you can represent them in your local area, and offer extremely competitive prices.

The one advantage to dealing in brand name items, if you can find a dealer that you can work with, is that the demand is already there. These brand name manufacturers spend millions of dollars advertising their products, and everyone knows what the products are. They also offer strong guarantees that give the customer tremendous confidence.

Finally, and most importantly, the brand name has a solid, long lasting reputation. In other words, if you are selling a Panasonic product, it doesn't matter if you are just starting your business. Everyone knows that Panasonic has been around a long time and will be around for a long time in the future. They won't judge the product on how long you've been in business; it will be judged on Panasonic's reputation. For this reason, it is actually desirable to begin a business with brand names, and then branch out to other products, once you've started to develop your own reputation.

Myth: It is very difficult to break into the wholesaling business.

Fact: With the right product line and good customer service, it is easy to get new accounts. Store ownership's change, new stores are always going up, old stores are always looking for new products and new suppliers. You'll be surprised to find out how quickly you can build up a successful wholesaling business!

WHAT IS YOUR NEXT STEP?

Now that you have all the necessary information to begin buying anything you need at wholesale prices, you should start working with a wholesale supplier. The best one to begin with is National Wholesale Company, because they have a huge variety of products available and because they are specifically geared towards helping their dealers get started in a new business.

National Wholesale Company has made special arrangements to set you up in a business of your own and save you \$40 in getting started!

THE PLAN: PARTNER IN BUSINESS

This plan is for those who are really serious about making money right away, and who want their whole business set up immediately. This package includes all aspects mentioned throughout this book and includes extra features for starting your own business. Following are the features of this package:

* Full Membership, which allows you to buy any products at wholesale or below

- * Use of 800 number and credit card ordering
- * Use of free drop-shipping services direct to your customer
- * Use of un-imprinted full-color catalogs to give to your customers
- * Unlimited telephone consultation with business experts. This feature will be invaluable to you when you have questions about how to build your business very quickly. It could be worth several hundred dollars to you over the course of a year.
- * Free advertising design and layout service
- * 1 full-color Mega Products catalog (a 715+ page color catalog listing over 15,700 Products for all business and office needs plus consumer electronics)
- * 1 Gift & Novelty Products Catalog (a 330-page color catalog listing over 4,100 novelty, gift, and household items)
- * Automatic **\$5000** line of credit with the novelty merchandise division. If you order this Partner in Business package, there is no application fee for the line of credit. You will automatically have the choice of using credit on your purchases, or if you prefer, paying the full purchase price. The flexibility is yours.
- * Several additional manufacturer specific catalogs with wholesale price lists.

The entire package listed here normally would sell for \$209.95

However, as a special offer to readers of this guide, it is available to you for the unbelievably low price of \$149.99. To order, please fill out the order form at the end of this book.

100% MONEY BACK GUARANTEE: *The Partner in Business dealership* above comes with a full 90-day performance money back guarantee. If you are unable to make sales with your dealership by following the simple easy instructions that are included with your dealership, you may send the dealership back during the first 90-days for a full refund (less shipping). The complete details of this guarantee can be viewed at www.profitbig.com or you can request a copy by emailing guarantee@profitbig.com with a request for a copy of the 90-day performance guarantee.

Mail the application below to NWC, Inc., 321A Merrimack St, Methuen, MA 01844

Yes, I want to take advantage of the NWC, Inc., Partner in Business plan and get started making money right away. I understand that I will receive everything I need to start and succeed in a proven business with my dealership.

I understand that I will receive all the following with my dealership package and more...

- 2 large full-color catalogs with more than 18,200 products (61,000 total products via our dealer website)
- Assortment of supplemental catalogs
- Large \$5,000.00 unsecured credit line with NO CREDIT CHECKS (see our website for complete details)
- Unlimited consultation with step by step instructions
- Access to our exclusive dealer only website, The Dominion
- Super low below wholesale prices on all products
- Custom built computer systems with nationwide three year on-site warranties
- Affordable leasing plans on all equipment, which helps you close deals with your customers
- Cutting Edge E-tools to help you compete and win on the Internet

I am enclosing my Partner in Business dealership fee of just \$149.95 plus \$18.00 shipping and handling total (\$167.95). Please set up my dealership and send me out my complete package including my dealership # and the step by step instructions on how to start making money right away.

I understand and Acknowledge I have a 100% money back guarantee, **as explained in our 90-day performance guarantee, which I have read and agree to.**

Enclosed is my (please circle) Check — Money Order — Credit Card Info

Signature _____

(Application must be signed in order for a dealership to be opened on your behalf)

Please Ship my dealership package to (Please print):

First Name _____ Last Name _____

Company Name (If applicable) _____

Address _____

City _____ ST _____ ZIP (+4 if known) _____ - _____

Day Phone # () _____ - _____ Evening Phone # () _____ - _____

Email Address _____

Please charge my dealership fee to my Visa / MasterCard / Discover / American Express Card

Card # _____ Exp Date ____/____