



## MotorUp America

Challenge: Lou Basenese was hired as a consultant to write for a start-up firm wishing to launch an engine treatment product to compete with Slick 50 in the Automotive Aftermarket distribution channels. The product, MotorUp Engine Oil Treatment, had no footprint in any of the retail or traditional distribution channels. Lou was hired as President & CEO of MotorUp America and was asked to execute the business plan he had written.

Some of the key challenges were as follows:

- The company had no infrastructure
- Financial services needed to be outsourced
- Business was initially operated out of a home office
- President & CEO wore many hats; sales, marketing, customer service
- High margins were integral to success
- FTC was aggressively policing engine treatment advertising claims

Actions: Under the leadership of Lou Basenese the following actions were initiated and implemented:

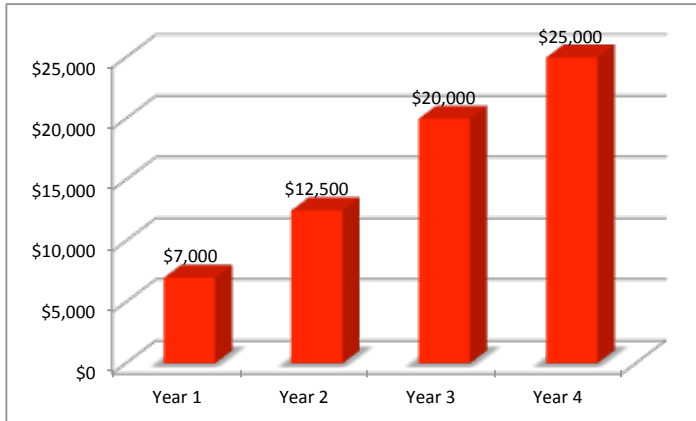
- “A & B” class manufacturer reps were employed
- Financial arrangements with CIT for invoice factoring
- “Back office” services were outsourced to a firm in NYC
  - CFO, order entry, order processing, ASN, EDI
- Inventory was JIT with warehouse in Butte, MT
- Net Selling price to trade was \$10.00
- Product cost \$2.20
- Developed & executed successful Infomercial to create brand awareness
- Developed Coop ad program that enabled MSRP of no lower than \$24.95
- Launched auxiliary products in Fuel additive, Transmission additive

Results: The following results were achieved:

- Developed strong Distribution in all channels of Automotive Aftermarket
- Developed strong International distribution
- Overhead was limited to 7 direct employees
- 78% gross margins were maintained
- Top line revenues peaked at \$25 million Year 4
- EBITDA of 32% on \$25 million revenues Year 4

## MotorUp Revenue & EBITDA History

### Revenue (\$000)



### EBITDA

