

Buying for less, to sell for less: a cycle that enables growth

Buy for Less

If a company is **selling more volume**, the company will **grow bigger** and will need to **buy more** from the Supplier. As the company is “bigger” it will have potentially more leverage to influence and reduce the price it pays Suppliers. This lower price means the company can **get cheaper** and offer cheaper products to customers and still maintain its margin %.



Sell for Less

By getting cheaper and offering cheaper products to customers it creates more opportunity to entice them to buy more and buy more often – thus more **volume is sold** and the cycle starts again.

Figure 2: Buy for less to sell for less