

Integrated Supply Consultants

Envision . Plan . Implement .



Newsletter April 2008

Issue 11

Welcome to Integrated Supply Consultants, LLC

Dear David,

Welcome to Spring! Like most people, I'm glad to see winter go! I attended a very enthusiastic Small Distributors Summit in Nashville in early March. The conference was well attended and continues to grow each year—a good reflection for future growth of independent resellers in the Channel. The group was very energetic and the entrepreneurial spirit was apparent in all meetings. If you missed it, I highly recommend attending next year..

One ISC product that got a lot of attention at the SDS Conference was [JumpTech](#). Since JumpTech is already integrated with Quantum, many distributors wanted to know how to use and market this new and effective end-user procurement tool.

One of the most frequently asked questions I receive in an initial Client meeting is: what will my margins be for the business consumables category? When I tell them 27-29%, most are in disbelief. Read below to figure out what your margins should be and how to calculate and grow them.

We will be attending the [Industrial Distribution Association \(ISA\)](#) in Chicago in late May, early June. More to come on that meeting next month.

Good Selling,



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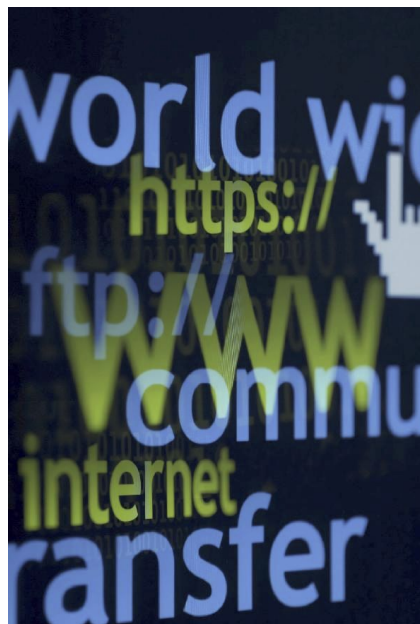
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What's In Your Email Message?

Email stats fast facts:

- 64% key decision makers view email messages on Blackberries or other mobile devices
- 69% of at-work users usually view their email in preview panes.
- Highest Open rates are Wednesday 27%, Monday 26% and Thursday 26%
- Highest Click-Throughs occur Wednesday and Thursday (both 5%). Click throughs average 4-5% during the work day and peak @ 7% 9 pm and 4 am



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What makes effective email messages or campaigns? Read more at [Read more @ Best Email Marketing Practices.](#)

B2B reports in its' [Interactive Marketing Guide 2008](#) that email marketing delivers sales at an average cost per order of less than \$7. That compares with \$71.89 for banner ads, \$26.75 for paid search and \$17.47 for affiliate programs. That's very cost effective advertising and certainly compares very favorable to direct mail programs. This is an ideal budget number for small businesses looking to get the biggest bang for their advertising buck.

Are you using B2B email marketing effectively for your business? One of the basic issues for small business is the ability to keep the sales pipeline full and active. It is the fundamental key to sales growth StructuredWeb provides a completely outsourced managed sales process that targets, tracks and triggers customer sales leads that keeps your pipeline full. Or, you can manage the tools yourself. [Find out more about StructuredWebs' services.](#)

Know Your Margin Mix Before You Present

Many Clients want to know what their overall margins will be before they present. That's a great question and an exercise you should go through every time you intend to close sales for the business consumables category. Surprisingly, many channel resellers still do not use a wholesaler consumer matrix to effectively manage their consumer prices and margins for the category. It's easy to load and you can leverage the



marketing work that the wholesaler has already completed on your behalf. This is one of the best, most effective, as well as efficient ways, to get a competitive price model in front of your customers.

Only two components really affect your overall margin and are ones you can actively manage to:

- Percent of product sales captured in three major overall product groups ranging from commodities (high inventory turn) to low inventory turn (non-commodity items) items.
- The overall gross margin percent in each of those 3 major product groups. This margin mix represents many different product categories.

As your ratio of commodities to non-commodities grows (commodity product sales are disproportionately high), you'll see your margins stuck in low gear. If you don't expose your customers to enough new and varied consumable categories (consumables usually reflect >30,000 line items), your margins will suffer and not grow. As a [Procurement Process Management](#) Specialist, focusing on the bigger picture through an effective ecommerce platform, combined with a consultative selling approach, will allow the end user to easily move more products through your procurement model solution.

[Go to the margin calculator to figure out where your margin opportunities lie. Call ISC if you want this presented as a webinar for your sales team.](#)

Do You Know Your Financial Ratios?

Boring? Maybe not if you intuitively think your business is not doing well. Why not plug in your actual numbers and find out for sure? Understanding and measuring your key financial ratios will help you pinpoint where your business needs help. [View the Financial Ratio table.](#)



This Month's ISC Blog Question

What is your overall average margin mix for your business consumables category? What did you do to raise it? What are the biggest challenges you see to raise margins for business consumables? [Please share your response at the ISC Blog for our readers.](#)

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Integrated Supply Consultants, LLC | 500 Woodside Lake Drive | Columbus | OH | 43230-5077