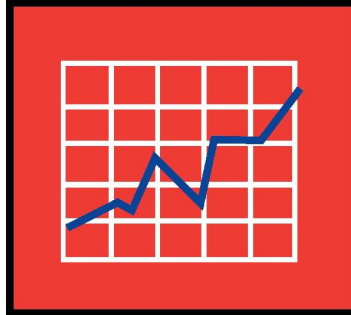


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# Integrated Supply Consultants

Envision. Plan. Implement.

November 2007

Issue: 10



## Welcome to Integrated Supply Consultants, LLC

Dear David,

Happy Thanksgiving! I'm quite thankful for the gift of 24 hours each day. No more. No less.

My efforts need daily renewal to stay focused and fruitful. The limitation of a 24-hour day keeps all of us "supermen" and superwomen" in a place where we can appreciate our limits, as well as the renewal of energy in our lives.

The focus on identifying more products and services to sell and market to your consumer businesses has never been more important. As the life cycle of one product or service wanes, your company must seek another to replace it, or watch your business decline. In the MRO ([ISA](#)) and Forms and Print (DMIA now known as [PSDA](#)) channels, the prospects for developing and growing business consumables within your core offering have never been better. Read on to find out

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## Structure Your CRM



Customer Relationship Management (CRM) was introduced in the late 90s and gained popularity but was

why...

Some breaking news at the time of this newsletter release: Monday, November 19 - United Stationers Inc (USI), has agreed to buy ORS Nasco for \$180M, the leading MRO wholesaler in the US. This will enable USI to better service and gain new customers for the MRO Channel and sell and distribute the product category to other Channel customers.

Good Selling!

Sincerely,



## Independents' Rising

Peter Frost is an industry analyst based in London. His website [Proficiency](#) is a wealth of information for the independent reseller of the office products category regarding the industry. Recent articles include targeting women as customers including the fact they want eco-friendly products and services, want to order online, and want packaging waste collected and recycled. Another important article under "Office Megatrends" is entitled "[The Renaissance of the Progressive Superdealer](#)". The key points from this article are worth reviewing and reinforce the opportunity that continues to rise for independent resellers of the office products category.



Miscues at the "Big Boxes" in recent years have left the door of opportunity wide open for channel resellers in office products. Mr. Frost discusses the "acquire and fire" philosophy that has stripped some large superstores of vital experience and industry know-how. Experienced individuals were hired to bring them success and likely were the reason those companies and mergers were made. Some "Big Boxes" brought people from outside of the industry that didn't understand the office products category or the customer's needs for the services.

Examples include the resignations of Chris Milliken and Mike Rowsey at OfficeMax. Mike Rowsey brought the expertise on the commercial/ contract business at which he was successful

implemented poorly. This was mostly due to non-integrated, complex solutions. As always, new technology allows its second coming and provides the focus and methods to truly understand and market to your customers.

A very good definition of CRM can be found on the **[destinationCRM](#)** website:

"CRM is a company-wide business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. True CRM brings together information from all data sources within an organization (and where appropriate, from outside the organization) to give one, holistic view of each customer in real time. This allows customer facing employees in such areas as sales, customer support, and marketing to make quick yet informed decisions on everything from cross-selling and up selling opportunities to target marketing strategies to competitive positioning tactics."

Properly implemented and executed, CRM will allow any company to integrate with and, therefore, create customers for life. The key words are "implement" and "execute". While software solutions to manage CRM have been around for at least 8-10 years many of them are very complicated to use. Additionally, it involves buy-in from all levels of a company's management and *involves behavior change* (here's THAT word again) of how a company will do business and

with at Boise Cascade Office Products and Associated Stationers. OfficeMax then changed sales compensation models, and experienced contract reps scattered. Junior sales people who never worked in the industry were hired as replacements, and Mr. Milliken was replaced by Sam Duncan from Walmart.

Poor integration of the companies that Corporate Express acquired has not allowed them to effectively serve the end user. Their sales revenue is flat and profitability continues to shrink.

Office Depot is still struggling through a lackluster acquisition of Allied in New Jersey. The intent was to acquire the contract know-how. Their acquisition of the venerable Viking mail order brand has disappeared from the US market. Mr Frost points out that Office Depot lost their number one position in the industry 2-3 years ago. They also acquired the European number one contract stationer, Guilbert's, from which things still need to improve. Most recently, Office Depot was caught with contract non-compliance by over-charging the State Of Georgia in their state contract.

Staples (\$18.2B; 32% comes from B2B) continues to be the industry leader with good growth at 10% average annual increases over the last three years. But, that leaves a lot of the table in the \$270B business consumables market (the above 4 account for a little less than \$50B). Why do large, supposedly well-run companies, make these types of mistakes?

I don't have the answer. But I do know that these miscuses have concurrently been shadowed by the successful renaissance and success of the mega independent reseller(dealer). A good example is WB Mason, a USSCo independent dealer based in Boston (Staples' backyard). These companies partner with the national wholesalers and execute a "customer intimacy model" that provides the end user with a wide range of products and services. This includes a successful Customer Relationship Management (CRM) model. Mr. Frost calls these companies "*PROPS*:"

*Providers of  
Office  
Productivity  
Solutions"*

. They provide a unique, value-added service to their customers. It's this focus that will convert the category and grow the business for your company too.

target customers. Not just lip service. Therefore, if you can implement a truly integrated solution or employ an ASP out-sourced solution, like **StructuredCRM**, you may have more success for the required buy-in). The easier it is to use, the least resistance to use it and barriers to change.

CRM is basically three steps: **Demand Generation, Customer Aquisition and Customer Retention.** Easily said. The trick is that businesses need to integrate all their customer touch points into a seamless workflow process and single data repository. Often the current situation is a jumble of non-integrated systems and processes. This does not allow any data mining or collaboration of different customer communications that occur in an organization. A company needs to turn to a system of integrated systems and processes that allow it to paint a clear picture of its customers and their specific needs. Only then can businesses grow in a well-measured manner. Relying solely on your sales team to spread the good news and manage their sales contacts and processes does not work well, if at all. In today's fast paced business world, there's too much information and activity to keep track.

**eQuantum** is now introducing an integrated CRM solution to its enterprise system. As mentioned earlier, outsourced solutions, like (**StructuredWeb**, allows a 3<sup>rd</sup> Party to manage the sales process) may also serve you well.

## It's the Horses' Thirst That Makes Him Drink

We've all seen paraphrases of this well-worn saying. I'll share yet another interpretation of the ageless saying.

One might reply, "I didn't know he was thirsty!" Precisely, I thought. I recently

attended a seminar conducted by Doug Traxler, Executive VP of Sales & Marketing, from Webb Mason at a recent DemandBridge Users' Conference. Mr. Traxler made some interesting comments/points that are worth sharing with this audience. In a presentation entitled

*"Successes and*

*Pitfalls of Selling*

*Ecommerce"*

, he states that simple ordering websites have become commoditized, which is true.

And, the once scary technology marketing frontier is now "unplug-able". Every RFP

today requires a standard definition of a company's ecommerce solution. Why would a company unplug from a vendor? One quick, obvious answer would be that it was not plugged in very well in the first place.

So, what to do with a commodity solution? Mr Traxler simply states, "Make them sticky". This means integrating with the consumer so thoroughly that you become part of their marketing communication solution (known as *marcomm*). Automate the actual workflow within the customer's business and your company becomes integral (also known as *customer intimacy*) to their success. How does one reach goals that are part of the "land rush for the desk top?" Where is your client on your value ladder: a pure product focus, a value-added reseller or a fully integrated partner? Mr. Traxler's 4 key points for successful customer immersion include:

- 1. Trojan Horse Effect:** "You may want all of this stuff today, but" Educate your customer with process solutions that implement over time. Slowly integrate all of your solutions.
- 2. This is MY system:** Manage the customer's intranet. Help the client market to its internal customers with redirected URLs.
- 3. Can It Do This?** Collaborate with the client. Help the consumer discover your integrated solutions to their workflow problems.



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**4. Review, Review, Review:** Monitor and review metrics. Take the customer through and review the project milestones.

OK, so what are the pitfalls?

**1. "If you build it, they don't necessarily come".** No buy-in from across the enterprise and upper management. Just a few nods.

**2. "Ok, it's ready- no it's not",** is a failure to launch. There wasn't a strong internal champion and therefore, not properly sold.

**3. "I thought you said it did that".** The client wasn't actively involved in the process and the solutions. "Here, do this" and 3 months later..." Oh, that's not what I wanted.

**4. "Gosh, that took a long time",** the Grumpy Customer Syndrome. No established timelines with any clear direction due to lack of communication. By the time the customer gets the solution they've already forgotten what they asked for!

Lastly, Traxler recommends the use of accelerators. Become an expert in your customer's pain (understand their procurement process thoroughly!):

**1. Instant demo:**"let me show you something easy that solves the problem you are facing."

**2. Find an Evangelist:** You= the Champion; Them= the Hero. Heroes spread solutions throughout the organization. You must know company's value proposition is in order to unplug your competitor. Then identify where is your client on your value ladder.

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