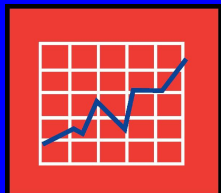


Integrated Supply Consultants, LLC



Envision. Plan. Implement.

July 2007

Issue: 7



Welcome to Integrated Supply Consultants, LLC

Dear David,

Making changes in a business is difficult at best. Getting the team to come along for the ride is a challenging exercise. There are different reasons but mostly people don't like change. They like the status quo. Maybe they think change is not necessary. If your business isn't changing, it's lagging the changes in an ever changing global economy. Read a short article review from the Wall Street Journal and see suggestions to make change happen in your company.

As we reach mid-summer, now is the time to think about how business ramps up for the Fall. Are you prepared to launch a marketing plan to capture seasonable business that occurs in September? What is your supply chain message to your existing customers to help them plan for products and services they'll need as their business ramps up? Being proactive allows your company to be perceived as understanding the what their business needs.

Good Selling

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Making Change

I recently read an article in the Wall Street Journal by Catherine Remoussenard (June 17-18, 2007) that has great relevance to the process Print & Form/MRO distributors go through as they introduce new product categories in order to grow sales. Companies that want to add office consumables to a core product offering need to consider changes in sales compensation, website design, order flow, customer service, and marketing. The article focused on change in business and recommended the use of a designated "change manager" to help facilitate the process of change. It's not easy disturbing the status quo. Keys points from the article include:

Benchmarking Your E-Business Model

The success of your ability to capture new business products sales is to search out the best-in-class and apply them to your model. This is called benchmarking. Benchmarking provides the logic needed to drive the necessary change required to be competitive. It is a continuous and systematic process. It doesn't reach an end-point. All successful companies use benchmarking for their market competitiveness. In the office products business, the internet transactional sale has become the dominant business model. So, the logical benchmark would be the internet leaders Staples, Office Depot and OfficeMax (they in turn benchmark Amazon.com).



Which areas should be benchmarked against these competitors' website functionality?

- **Ease of use**-including quick location of consumer resources
- **A fast, intuitive search engine**, based on key words (such as "sticky notes," "stick pens," etc. - the words the consumer uses) to navigate large data bases of available products. *Internet Retailer* reports that among online retailers, 70% of consumers that use the search function at their website were more likely to buy.
- **Identify price-valued items** are found quickly (show private label beside the OEM brand so the consumer has a choice).
- **Provide a "Shopping Cart" and personalize "My Favorites"** simultaneously.
- **Convert Favorites** to a purchase order with one click.
- **Find and submit manufacturer rebates** easily.
- **Find promotions** easily and applied to current order.
- **Handle multiple ordering sites** from a customer (multiple account numbers can be linked together).
- **Manage the total supply chain**, including other verticals sold to the consumer (Current leaders do not do this well and it can be your advantage).

Use you intimate knowledge of your customer to market back to them useful information that can further reduce their costs for office products procurement.

Keeping a commitment to benchmarking is not easy. That's

Don't assume individuals have a natural aptitude to adapt.

Offer coaching to those who have difficulty adapting

Don't assume individuals will function rationally.

People act in their own best interests. Examine motivations behind individual's actions.

Don't assume change is automatic.

Clear and effective communication is crucial. Keep focused on the objective.

Don't assume that organizations are naturally dynamic.

All must accept that there are viable visions other than their own. Effective information relay between different levels of the organization are crucial to break down barriers.

Don't assume company culture is easy to change.

Recognize behavior that reflects the current culture also poses a threat to change.

Don't assume that every aspect of the project will work out exactly as planned.

Listen and realize that certain aspects of the status quo may remain to further the projected broader change.

because most companies cannot make a long-term commitment to the search for those practices that lead to superior performance. **It is, however, the key to success.**

What's My ROI?

Is it worth adding business products to my core offering? What are the costs to develop the new vertical market? At what point will the new market development be profitable? All are great questions to consider before going down the road to embrace a new product category development.



First, understand your development costs. Next, analyze which of your current customers you will sell the new product category.

What are your development costs? Stockless models allow a reseller to focus their capital in website software models that are critical to selling and marketing the category vs. inventory investment. Web-based models can be very cost effective. An excellent custom solution is available from [StructuredWeb](#). Channel-specific packages like & [eQuantum](#) and [Top Form](#) are available for the Forms & Print distributors. [Activant](#) has a great solution for the MRO Channel. [Britannia](#), a division of DDMS (ASP platform) and [eQuality Internet Services](#) are office products channel-specific solutions. Custom integration of USSCo's online catalog to an existing website/shopping cart model is also a very good solution. You are then using your ERP to manage the total transaction order flow from website to order fulfillment.

Who is your customer for the new category? Understanding the profile of a customer that will buy a category within an integrated purchase order model is important. Not all of your customers will fit this profile. You need to determine approximately how many customers you might add and over what period of time (how many per month) to help provide a sales revenue ramp-up over 12-18 months. Use a \$1,500 per white collar worker annual usage to extrapolate sales (basic office products and the IT category). Your cost will be set, and you can distribute evenly over the period of time you ramp-up sales. You can download a useful spreadsheet at [Integrated Supply Consultants](#) to calculate your ROI.

Don't assume the change manager can be effective without explicit authority.

A change manager must given authority to exercise influence and have reporting level equivalent to other high ranking managers.

Don't assume that anyone can serve as a change manager.

Managing change requires specific skill sets. Not everyone can do it. Change managers are leaders with charisma and an ability to inspire optimism and enthusiasm for people to embrace change projects. Barring immediate available individuals on staff, companies should seek outside experience to support the desired change.

For more information:

"The Underlying Structure of Continuous Change" (Summer 2006) by Thomas Lawrence, Bruno Dyck, Sally Maitlis and Michael Mauws
"The Art of Making Change Initiatives Stick" (Summer 2005) by Michael Roberto and Lynn Levesque.

ISC Quicklinks



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