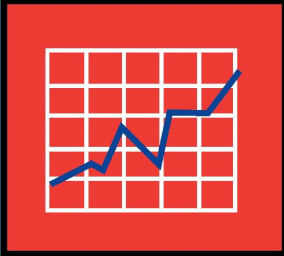


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## Integrated Supply Consultants, LLC

### Envision. Plan. Implement.

September 2007

Issue: 8



### Welcome to Integrated Supply Consultants, LLC

Dear David,

Welcome to Fall. ISC has converted some nice business products sales ("office products") for its' clients since January of this year. The business has been very profitable but doesn't come without its' challenges. In every instance, the business was converted with a sincere interest in the end users' business to help control costs. And, to do what the big boxes don't want to do. It leaves you less vulnerable to price. Read the summaries to see how the business was converted.

[Please, visit ISC at Booth #1106 at DMIA's Print Solution Conference & Expo](#) October 17-19 @ the Las Vegas Hilton Convention Center.

Good Selling



### In This Issue

[Case Study #1: Grow With Growing Companies](#)

[Case Study #2: Educate the end-user & Provide Private Label Alternatives](#)

[Case Study #3: Do What Big Boxes Can't](#)

### Case Study #3: Do What Big Boxes Can't



"Sell to your competitors' weakness". This old axiom applies to

selling business consumables. When ISC was invited to meet with an end user to discuss business products, my first impression was that there was nothing the reseller could do differently.

## Case Study #1: Grow With Growing Companies

You never know when your small customers will start to grow and become large companies.

You can grow with your customers if you continue to change and provide the new services

and products customers need, while helping to contain procurement costs. In

Case Study #1, this is exactly what happened. A seemingly small, obscure company experienced a large growth spurt along with its' needs for business products and services.

A small account developed into a \$140K @ 28% gross profit annual sales account.

Not bad by anyone's standards.

But when the Big Box Store came knocking and had the buyer, (with whom the reseller had a relationship), sign a participation agreement

(not contractually binding), all was thought to be lost. The growing company

now had become part of a larger company. The contract from Big Box Company

was extended to the satellite corporation. But, the local company was not

required to buy from the Big Box. They could elect to stay with the current distributor/vendor.

But why should they? After all, the pricing had to be much better.

ISC helped the reseller

do a spreadsheet analysis of the contract from Big Box Company.

The contract developed for

the home corporation had no relevance to the local division. They had a different business

and were buying different products. The reseller, with the help of ISC, performed a business

review to show the end user the correct products were properly priced through their local

contract- not the Big Box. The end user was grateful for the review, learned where additional

costs could be cut, and ended up giving more business to the distributor.



The Big Box Store was selling to the end user, apparently serving as a wholesaler to a school distribution company that services school districts throughout the state with kits for its' teachers. As we engaged the General Manager, Bill, and his buyer the selling opportunity became quickly apparent. This not-for-profit company employs teachers to make the kits from inventory bought from the Big Box store. Boxes of rubber bands, stick pens, and binder clips as well as other office products were strewn across a table set-up in the warehouse as the teachers assembled the kits.

Bill's background was in operational processes. We began to ask questions about his distribution costs for this kitting process. As he took us on a tour of the warehouse, he showed us where he kept thousands of dollars of unwanted inventory. He said "help us get rid of this, and you'll have created real value for this company".

Using spreadsheet analysis, ISC discovered that the Big Box pricing was retail not wholesale. ISC partnered United Stationers with the reseller to help outsource the kits. This operational process lies within the expertise of USSCo.

The end result was an open purchase order for 25- \$85 kits every two weeks (\$2,125 order; 12 products in one box) at a 31% gross profit.

Know your customer. Bring value through business reviews that help integrate your partnership.



## Case Study #2: Educate the end-user & Provide Private Label Alternatives

In this case, the end user was buying from a wholesale club. This is usually tied to an insurmountable pricing situation. ISC gathered all the information (including pricing) to do a thorough spreadsheet analysis. Through analysis and product substitution to United Stationer's quality private label product lines (Universal and Innovera), the reseller converted the business in 3 weeks. Buying in bulk doesn't necessarily guarantee good prices (perception perhaps) nor good operationally for the end-user. Seventy-two stick pens @ \$8.79 translate to \$1.47 a dozen -- not such a good deal. The end-user asked for samples, (Innovera toners, lint-free paper towels) which USSCo provided directly to the end user. Past experience had made the end-user leery to convert to private label remanufactured inks and toners. The Innovera brand product came though. The end-user was very happy. USSCo's private label provided the price point to convert the wholesale club purchases. And, the company didn't have to buy large orders or handle storage problems for bulk purchases. The margin on just 22 products averaged around 9% ranging from 2-53% for the reseller. ISC didn't have usage data so we couldn't calculate actual margins based on weighted usage. The reseller has already picked up significant new business from their product core product lines. And, more product categories are ready to be added in this new supply chain-managed account. Overall margins are expected to be much higher.

The palletted, shrink-wrapped skids of kits were delivered freight-free to the reseller's dock and redistributed on their truck to the end user. The end user now wants the reseller to expand the kitting as it streamlines its' costs and reinvests those dollars to better use.

### ISC Partners



Visit ISC at DMIA's Print Solutions at Booth# 1106 October 17-19 in Las Vegas. And, make sure to sit in on our Case Study Seminar:



Print Solutions 2007 Conference & Expo  
**Keynote Speaker:**  
**Bob Woodruff**

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