

	Evolution of the Value-Added Service Model			Exhibit 1
Distribution Model	Basic Service Product	Acquisitive Model	Value Added Service	Manufactured Product/Global Supply Chain
Product Focus	Buy-Sell Products	Buy-Sell Products	Instant customer for existing products	Creating new products or global sourcing best value products
Service Focus	Basic purchasing through selling and credit and collections	Basic purchasing through selling and credit and collections	Large scale service organization for customer or customer's customer	Dependent on previous service platforms
Manufacturing Focus	Small or non-existent	Small or non-existent	Limited interest in manufactured product	New product development or global sourcing
Primary Value Added	Bundling basic services and representing well-established lines	Absorbing smaller competitors and consolidating back door services	Services for customer that take away from customer's core mission and running them better than current management	Driving new products to support existing platform, getting cost out of high volume products though best global supplier
Strategic Limitation(s)	Mature, well-understood, dependent on key manufacturers, too many sellers and branches	Number of good acquisitions are becoming less and less, cultural fallout can be costly.	Few because of limited competition Movement beyond inventory management services or suffer declining profits.	Few because of limited competition and wholesalers with no service arm. Must have acquired large enough service arm to support new technology and global sourced products.