

FUELING GROWTH WITH WHOLESALER

NATE SCOTT, EXECUTIVE VICE PRESIDENT, ALLIANCE DISTRIBUTION PARTNERS

Cash is like Taylor Swift tickets: expensive and hard to get. For distribution companies, one way to tap into extra cash is to reduce the amount of capital spent on inventory. While it's tempting to wear your inventory value like a badge of honor, that cash could be better used to fuel growth in your company and expand upon your value proposition to your customers. Free up some of those inventory investment dollars by making greater use of wholesale master distributors (wholesalers).

Our data shows there's a good bet that just 50% of your inventory makes up 95% of your distributorship sales. When evaluating the remaining 50% of your inventory, there's a good chance that carrying costs are eating up 25%-50% of the value of that inventory between borrowing costs, insurance, taxes, warehouse space, physical handling, obsolescence, deterioration, and pilferage. The cost to purchase those goods is only part of the profitability profile. Mismanagement of direct purchases, such as

over-procurement to meet minimums, long lead times, and restocking fees, all eats further into your profitability.

By leveraging your wholesaler, you can reduce or eliminate slow moving products from your stocking inventory to free up cash for higher payoff activities.

When you add the operational savings of consolidating purchases to your wholesaler, the net profitability improves further. Whether you believe the industry averages or not, ask yourself a simple question. What percentage of your inventory dollars would you rather have as cash in the bank right now?



At Alliance Distribution Partners, we can help you evaluate your inventory needs and improve your bottom line. Give us a call for ideas on how we can help you fuel growth in your business. Unfortunately, we're not much help with the Taylor Swift tickets.



SCOTT

WE'RE READY TO TAKE ON ALL CHALLENGES

ZACHARY T. HAINES, CEO, DPA BUYING GROUP

Today, we are witnessing unprecedented consolidation in the marketplace, which leads to volatility and new competition. We've also seen a continued expansion of B2B marketplaces, e-Commerce retailers, and an increasing presence of direct-to-customer competition.

DPA members are preparing for these trends by retooling their sales teams to become "consultative sellers" as opposed to "order takers." They are also working diligently to optimize their business operations, better manage their inventory, and selectively partner with fewer trusted suppliers who are committed to helping them succeed.

At the end of 2023, the DPA Buying Group will be launching an online training portal that will allow our members to partake in product training modules designed to help them become

"experts" in the products they are selling. DPA owners will be able to track their employees' progress and completion rates. DPA suppliers can also create and submit their own content to the portal. In addition to product training, the modules will also encompass sales and leadership training.

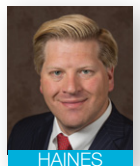


DPA is also pleased to announce an upcoming Travel Incentive Program to help our distributors grow and consolidate their purchases with DPA partners suppliers. This program will focus on growth for the 2024 calendar year.

Another marketplace trend is a "drive for differentiation." DPA's distributors are always looking for products and suppliers that will set them apart. One strength that differentiates the DPA from other groups is a robust network of diverse suppliers across numerous product channels. Our suppliers manufacture industrial and contractor supplies, safety equipment and clothing, janitorial products and cleaning equipment, packaging products and even public safety apparel.

DPA distributors are agile and entrepreneurial. They are determined to meet the challenges of today and are focused on capturing the opportunities of tomorrow.

If you are a distributor or manufacturer looking to grow with us, please contact DPA Buying Group today.



HAINES

EVOLVING TO MEET OUR MEMBERS' CHANGING NEEDS

ZACH BRADO, VICE PRESIDENT, SUPPLIER DEVELOPMENT LINE, NETPLUS ALLIANCE

NetPlus Alliance was founded in 2002 by Dan Judge, who believed a buying group should be agile and progressive and welcome a diverse membership.

Our newest programs and enhancements are a direct response to member feedback. In our quarterly Industry Outlook surveys, our distributors told us that one of their top challenges is hiring and retaining employees. We have just partnered with CareerPlug, a hiring software company. It has an easy-to-use system that automates tedious manual steps of the hiring process and provides built-in evaluation tools to help our members hire the right people.

We also continue to evolve our

programs through our training offerings; distributors use our NetPlus Academy, powered by BlueVolt, to train employees on business best practices, as well as products and their applications. Our in-person training gives our members' teams hands-on experience with the products they're selling every day.

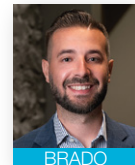


Our members told us that expanding wallet share is one of their top priorities this year. They want to fill out existing categories with complementary products, provide alternatives to customers when they

can't get products, and add new suppliers where it makes sense. So, we launched a category expansion committee, because the closer NetPlus aligns with what our members sell, could sell, or need to sell, the more powerful we are together.

Our Growth Plus joint sales planning programs allow our members and suppliers to partner to grow together through line conversions and consolidations with NetPlus suppliers, new business opportunities, and sales growth in existing markets.

Our members ask, and we deliver. We are committed to being a trusted partner and catalyst for growth.



BRADO

HOLISTIC TRAINING TO BUILD OUR COMMUNITY

MIKE SHUMARD, EXECUTIVE VICE PRESIDENT OF OPERATIONS, SPHERE 1 COOPERATIVE

Here at Sphere 1, we are big proponents of creating a culture of community, one that is dependent and as steadfast as family. When one succeeds, we all succeed. We believe that by taking a holistic approach in how we support our members' businesses, they can create their own culture of loyal community within their own companies – one that drives morale, opportunity, and success.

One way that Sphere 1 has been implementing this value within our own membership is by taking a holistic approach to training. Holistic training goes beyond traditional job-specific skills. It includes personal development, soft skills, and overall well-being. We're abandoning the more stagnant, traditional ways of training by investing more time in the people we're training and how that training is delivered. Here are two outcomes that could make a big impact on your business by embracing a holistic approach to training:

1. Enhanced Employee Retention. Employees are more likely to stay with a company that invests in their growth. A holistic approach to training shows employees

their organization cares about their long-term success. This, in turn, reduces turnover rates and the costs associated with recruiting and training new employees.

2. Improving Customer Satisfaction: Supported, confident employees tend to provide better customer service. When employees feel valued and well-prepared to handle their roles, customer satisfaction levels often rise. Satisfied customers are more likely to become loyal, repeat customers.

It brings our leadership team great pride to see how Sphere 1 members have embraced practices of holistic training and how it's influenced their success. Sphere 1 members know that when their employees are well-trained and motivated, they become valuable assets to the company. We are committed to helping our members invest in their workplace cultures because we know that a loyal, well-trained, community-driven workplace is what will help our members compete against the "big-guys" in this highly competitive market.



SHUMARD