

A PARTNERSHIP TO GROW BY

DONNA CURRIE-BRUNO, PRESIDENT, LOGISTICS SUPPLY

Logistics turns 18 this month, and we are proud to service this industry. Our business was built to bridge the gap between manufacturers and distributors in a way that fits their needs, beyond what a traditional wholesale platform offered. As an independent redistribution platform, we understand the day-to-day challenges and work to find solutions for our customers and manufacturers. We continue to invest in innovative services and customized programs to help distributors grow and achieve operational efficiencies. Let's face it, while the market has shown some nice growth, the market challenges we all face are real and have grown as well. Online competition, aggressive price increases, tariffs, freight increases, combined with managing inventory while expanding our product offering, marketing to our customers, and building services in this very competitive market.

At Logistics, we get it, we are not the multibillion dollar corporation with multiple focuses; we remain committed to working together to find solutions that will ease those struggles for our customers and manufacturing partners. We continue to build our business so a distributor can

take their value services, and combine them with ours, to provide a stronger platform.

Our programs are customized to fit the distributor's needs and to make doing business with us easy and efficient. We offer fee-free drop shipping, provide marketing support, eliminate order fees, case breaks, and have created distributor programs to eliminate hefty freight charges. We find risk-free ways for the distributor to expand their offering and stay competitive in the market. We seriously look at their business as our business and find ways to help.

We take this business seriously and value the relationships we form with distributors and our partner brands. Our best ideas come from listening to our customers and manufacturers and having the ability to respond quickly. While we, as our customers, want to grow, we will never be too big to listen and learn and recognize the value of the relationships we continue to build in the marketplace.



BRUNO

CHANGING HOW WE SELL

ZACHARY T. HAINES, CEO, DPA BUYING GROUP

"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." *Alvin Toffler, Best-Selling Author and Futurist*

This past spring, DPA engaged members in a conversation with supply chain experts about the market forces disrupting our industry. Much of the discussion centered around the evolution of the buyer and seller. Modern buyers are bringing their B2C shopping experience into the B2B community and "consumer experience" is the next competitive battleground where business will be won or lost. Ask yourself, "What value can my sales people provide that cannot be answered by the internet?"

The modern millennial buyer is results-driven. They value education

(new ideas and perspectives), collaboration, listening and understanding of needs. Today's salesperson can no longer be a "product seller" or even a "value seller," they must be a "consultative seller." A consultative seller uncovers compelling reasons to buy. They conduct operational assessments and discover gaps and opportunity triggers. They shift from selling products to selling business solutions that address business needs. They quantify value and deliver messages in a consistent way.

Much like a consultative seller, the DPA Buying Group offers solutions to our member distributors and manufacturers to help them improve their companies. The DPA Buying Group is comprised of over 880 distributors in the Industrial/Contractor Supplies,



Safety, Packaging, and Janitorial product segments. In addition to providing educational resources, DPA leverages the collective purchasing power of its members to negotiate better pricing, marketing allowances, lower minimums and extra promotions. DPA's vendors include more than 230 manufacturers such as Makita, Werner Ladder, JPW, Brighton-Best International, and wholesalers such as ORS Nasco. DPA does not interfere with your ordering, invoicing or warehousing, and there are no dues or sign-up fees if approved.



HAINES

▶ OUR PROMISE TO CUSTOMERS

KIRK ZEHNDER, CEO, EARNEST MACHINE

It all starts with quality service at Earnest Machine. We understand that because 90 percent of our customers fall into small- to mid-size distributors, their needs are different, and therefore the support we offer must be unique to the situation.

WE BREAK THE CASE

While estimates vary, there's definitely a cost associated with carrying excess inventory. Smaller distributors often don't have the luxury of space to warehouse product. Even with extra space, carrying full cases of product can mean longer time sitting on the shelf, which leads to corrosion by excessive handling and carrying cost.

Earnest breaks the case so dis-

tributors can buy and store only what they need, allowing them to move product faster and create space for other products and free operating capital for other needs.

NEW PRODUCTS

Responding to customer feedback, Earnest has launched several new products in 2018 including U.S. Domestic Hex Nuts and DIN Spec Metric Hex Head Cap Screws. We'll continue to explore additional products to carry because if our customers want to sell it, we want to stock it.

IT'S ABOUT PERFORMANCE

In an effort to be transparent with our customers, we share our Distribution Performance Report on our

website every month. Good or bad, we want customers to see how we examine the successes and faults in part accuracy, quantity accuracy, order entry and on-time delivery. If we fall below goal, we want our customers to know what we're doing to remedy the situation.

In addition to sharing our metrics, every order is backed by the Earnest Machine Service Guarantee. Our promise to our customers is providing the right part, in the right quantity, on time, every time, guaranteed. If we send the wrong part, enter the order incorrectly, or deliver a priority shipment late, we will make it right and credit your account \$50.



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MY CUSTOMERS DON'T BUY THAT WAY . . .

JACK TEMPLIN, CHIEF PROGRAMS OFFICER AND PRESIDENT, INDUSTRIAL DIVISION, AD

When talking to industrial distributors about eCommerce, it is not uncommon to hear something like “my customers don’t buy that way.” Really?

According to Forrester, “B2B eCommerce generated \$780 billion in 2015, and this number is expected to reach \$1.13 trillion in 2020. Those who start selling online will have a competitive advantage over their rivals, and will establish themselves as market leaders.”

Are distributors that say their customers don’t buy online wrong? Well, maybe, maybe not.

There are undoubtedly businesses that, for whatever reason, don’t purchase online. Some products and services that distributors offer don’t (yet) lend themselves to an online transaction; maybe the buyer is uncomfortable with technology and prefers to stick to the way they’ve

always done it, or maybe the distributor lacks awareness.

Amazon Business announced last month that it reached over \$10 billion in sales. Companies are clearly buying more online.



Maybe it’s not that customers don’t buy that way, maybe they are buying that way from somebody else.

For many, the thought of trying to develop and launch a website is daunting. It is unfamiliar, foreign and, quite frankly, intimidating to some of the very leaders that have fearlessly led their companies in opening new branches, expanding their geographic coverage, hiring new sales people, investing in inventory and expanding

product offerings to better serve their customers and grow their business. It’s a matter of perspective.

Someone from a pure eCommerce background would likely find the thought of, speculatively, opening new branches, expanding into new product categories, or adding to a sales team in hopes of growing, equally daunting.

B2B eCommerce is here to stay and, while not easy (neither is opening a new branch), and requiring investment (like opening a new branch), it has never been easier or more affordable for a distributor to develop an online capability. eCommerce need not be relegated to those with millions of dollars to invest and hundreds of employees to assign to the task.

Your customers are buying that way, and they should be buying that way from you.



TEMPLIN

HELPING DISTRIBUTORS POSITION FOR THE FUTURE

JENNIFER MURPHY, PRESIDENT, NETPLUS ALLIANCE

NetPlus Alliance is always trying to stay ahead of what is going on in the industry, as well as how we can chart a clear course to support our distributor members and supplier partners in their growth.

To this end, we’ve surveyed our members over the past year to learn more about their pain points, what they value about NetPlus and what their strategies are going forward. Many of our 380 distributor members named growing profitability as their top challenge for 2018 and beyond. They told us that to do this, they want to secure better pricing from suppliers, improve their product mix, and focus on new markets. These all align nicely with the NetPlus value proposition and the programs we’re developing and promoting for 2019.

Our buying group continues to grow in double digits, with 37 percent growth in purchases between distributors

and suppliers in the second quarter of 2018. That’s because despite escalating competitive threats, especially from Amazon, our members are growing; more than two-thirds will experience strong growth in 2018. This success goes beyond the strong economy. They are investing in building stronger relationships with suppliers and customers, improving operations to keep promises to customers, and leveraging technology to support their value proposition in the market.

Independent distributors have power in this market, and we at NetPlus are helping them build a future-thinking strategy that combines the digital capabilities they must have today with the hard-to-compete-with strengths distributors bring to the table. To learn more, please visit netplusalliance.com or email me at jennifer.murphy@netplusalliance.com.



MURPHY

PARTNERING TO WIN AGAINST THE BIG GUYS

CHRIS KEMPA, PRESIDENT, ORS NASCO

ORS Nasco is a North American-based pure wholesaler of industrial supplies offering access to over 200,000 products from more than 600 brands used in the industrial, welding, safety, energy, electrical, construction, janitorial, HVAC, MRO, PVF, plumbing and rental equipment markets. We sell exclusively to our partners, our distributor customers, and provide world-class wholesale supply — all in a one-stop shop.

ORS Nasco's focus is to deliver on the needs of our distributor customers by providing a broad assortment across a nationwide distribution network. This network footprint is supported by over 200 experienced sales and customer care associates concentrated on building relationships with our distributors through exceptional service.

ORS Nasco streamlines the entire purchasing cycle, resulting in reduced working capital for our distributor

customers allowing them to focus on running their businesses more effectively. We offer a wide range of services to grow distributor sales. These services include but are not limited to no order minimums and bundling product options, shorter lead times on in-stock items, drop ship programs, nationwide DC locations, inventory replenishment and warehouse solutions, distributor and supplier performance analytics and innovative marketing solutions.



ORS Nasco
An Essendant Company

Additionally, our merchandising experts manage supplier portfolios to enhance the distributor's product assortment while enabling the distributor to accelerate profitable growth and optimize their product offering. The ORS Nasco team combined with our website capabilities, on-going training, analytics, and lean supply chain creates value for our distributors and supplier base. Our company's customized B2B approach and partnership with our distributors enables them to succeed.



KEMPA

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