

SMART MANAGEMENT

Web presence will take on greater importance for wholesalers

As I have said in some previous columns, most wholesalers' business is being conducted through traditional channels — outside sales, inside sales and the counter. Most wholesalers have a very small percentage of their business flowing through their website and electronic order entry tools.

As we talk with wholesalers we still have not found a one who is electronically selling more than 12% of their total business to trade customers. I am sure that there are exceptions to this statement but, thus far, we have not had any one provide verifiable numbers to us. That is the most we have encountered and the typical numbers we hear are below 5%. With all this said as background: ***I believe that today's wholesalers must have a viable web presence.***

Following are several quick reasons for your consideration:

- It is a part of the services package that the well-rounded wholesaler provides to trade customers. If you want to be a trade customer's primary supplier (first call, first stop, last look) you need to provide for that customer's current and future needs. For some the web is a current need and for others it is a future need, but few customers will say it is not on their radar. (For a reprint about becoming the Primary Supplier to your customers, e-mail me at rich@go-spi.com.)
- A web order entry system allows

trade customers to shop and order when your locations are closed. Some contractors work early in the morning, some work into the evening and some burn their candle at both ends. Whatever their work habits, the wholesaler's website is there to serve customers 24/7.

- Some of the most progressive contractors are interested in using technology to help them operate more efficiently and to better manage and control their business. Many, but certainly not all, of these forward-thinking contractors are desirable customers for the wholesaler. (Contractors who are good business people can be demanding customers, but well-run businesses are often more viable over the long term.)

- The national wholesalers and large regionals have or are developing elec-

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tronic tools as a way to differentiate themselves from their smaller independent wholesale competitors. Their plan is to disqualify smaller wholesalers in the process.

- Large government, industrial and institutional customers often demand that their suppliers provide electronic tools as a condition of doing business. I see this trend increasing and I see them

demanding more services and functionality over the coming years.

- Some business is being taken out of your community by internet suppliers located outside your community, your state and maybe even this country. If it is easy to order from you and your prices are fair, you may be able to recapture some of this business.

- Many times your cost of processing an electronic order will be less than using traditional sales approaches.

Now I'll share some thoughts about your website and web order entry.

The wholesaler's website and all electronic tools are the responsibility of the marketing department

Many wholesalers have the mistaken idea that their website and electronic

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tools should be the responsibility of the information technologies (IT) team because they involve a computer. Of course the IT team should be involved in any implementation, but they are often not the right group to assess the customer's needs and to create the best marketing tools for the situation.

Most programmers have never been to a contractor's shop, most programmers have never had a serious conversation with a contractor and some have never even met a contractor. When you live in an isolated high-tech world it is easy to start believing that everyone has a high level of technical proficiency, that everyone has a high-speed communications line into the shop and home, and that they value some of the high-tech bells and whistles that techies love.

It is the marketing team's job to understand the customers and to develop traditional and high-tech marketing programs that speak to those customers. I have seen instances over the years where the best leading-edge technical solution (often the most interesting to the technical team) is not the right solution for the trade customer.

The basic concepts of marketing apply to the website and electronic tools

The website and electronic marketing tools are not some new-fangled way to think. Tried-and-true common sense marketing rules should be applied to your website and any other electronic tools. That should be comforting to the less-technical marketing pros.

In other words, if you look at your website and it seems difficult to use,



BY RICH SCHMITT
Business management specialist

your customers will probably find your site hard to use. You must not let that tech-guy dismiss your view saying, "You just don't understand" or "It's a technical issue."

Your software provider does not always provide the right solution for your customers

You probably chose your software vendor because they helped you to manage your business. You probably gave very little thought to how that vendor created solutions for *your* customers. Your objective is to provide "best in class" tools to your customers. The primary question in determining "best in class" is: "What does the customer need and want?" Ideally that is what your software vendor is providing but that is not always the case.

Further, while the web order entry solution provided by your ERP software vendor might be more integrated with your software, that integration doesn't matter if your customers won't use your website. Again it is the marketing team's job to really understand the needs of your target customers and to ensure that all marketing tools (from low-tech to high-tech) are appropriate for the audience. Ideally, your marketing tools are the best in your market.

In our experience the trade customer wants fast and easy-to-use websites

You can provide a lot of features on your website but if it is not fast and easy, they will not like it. We feel that a plumber ought to be able to use your website with less than 15 minutes of training by his assigned salesperson.

Every member of the wholesaler's team, who has customer contact, should be proficient in using the tools you provide to the customers

This starts with your sales team. I think training ought to be done by the customer's assigned salesperson for several reasons:

- The salesperson knows the customer and is less likely to offend him in the process. I have seen tech-oriented trainers talk down to trade customers over the years and you must not let that occur.

- The salesperson can observe how his customers use the system and provide ongoing feedback about its operation to the marketing team. This feedback is vital to the ongoing improvement of your marketing tools.

- The sales team can help to debug and make the system trade-friendly while they are learning and demonstrating the system. They can often see when

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INDUSTRY NEWS

PACE Supply going green

SANTA ROSA, CALIF. — Eric Tokerud, who was hired February 27, 2006, as a commercial quotation specialist for PACE Supply Corporation, instantly embraced the learning environment PACE provides its employees and customers. PACE recognizes the importance of building green. Not only are green buildings



Eric Tokerud

energy and water efficient but they are also more comfortable to work in.

This year, Tokerud was promoted to export and government sales/green building coordinator, which he said has opened doors for him that

he could never have imagined. Working in the warehouse, serving customers, taking sales calls and participating in green building projects has been a rewarding experience. Tokerud states,

REP RAP

Blanco named **P.F. Valente & Associates Inc.**, a Bridgeton, N.J.-based firm, its sales representative for New Jersey, eastern Pennsylvania and the Western boundary including Adams, Perry, Juniata, Snyder, Clinton, Lycoming and Tioga counties; and New Castle County, Del.

Century Bathworks Inc. has expanded its distribution channels

“We’re looking forward to working alongside suppliers, contractors and our local communities to make a difference.”

PACE Supply is an employee-owned company that operates eight wholesale branches throughout Northern California, plus a consumer-oriented Premier Bath & Kitchen showroom in Santa Rosa, Calif.

For more information, visit www.pacesupply.com.

across most of the U.S. With the recent addition of **M.L. Sales Inc.**, **Bauhaus Design Sales**, **RG Marketing Group**, **B&B Marketing**, **Toole and Co**, **Stover Sales Co.** and **Pan American Sales**, Century is on target to have all areas of the U.S. represented by the end of 2008.

Emerson Swan has acquired **Stratford Associates**, premier commercial plumbing representatives in eastern

New England. Stratford represents Chicago Faucets, Aquabath Acrylic Bath Products, Precision Plumbing Products, Lab Enterprises, Japco Hose Stations, Broen Valves, Orion Plastic Piping Systems, Alsident Extraction Arms, Powers Valves and Raychem electronic component products in Maine, New Hampshire, Vermont, eastern Massachusetts and Rhode Island.

Current owner **Bob Pink Jr.** and Stratford employees **Thom Julian**, a key inside technical plumbing salesman, and **Dan Corrigan**, outside sales in New Hampshire and southeastern Massachusetts, will join Emerson Swan. Stratford founder **Bob Pink Sr.** will serve as a consultant and will continue to call on a select group of engineers, contractors and wholesalers. This acquisition is part of Emerson Swan’s Plumbing Department’s strategic plan to strengthen their commercial plumbing sector, while creating more focus in the three plumbing segments — shelf, showroom and commercial.

K-Flex USA announced that the **S. Williston Sales Company LLC** would be representing its Insul-Tube® and Insul-Sheet® brands to the HVACR market. Their territory will include Massachusetts, Maine, Vermont, New Hampshire, Connecticut, Rhode Island and New York State (except for New York City). Based in East Greenwich, R.I., and with more than 14 years of experience in the HVACR business, **Steve Williston** is well known in the Northeast. **Chris Williston** is responsible for account management and inside sales. In addition to the Insul-Tube/Sheet brands, S. Williston Sales will be introducing new K-Flex USA products such as K-Flex Solar™, K-Flex Clad™ AL and WT, and K-Flex® 360 Insulated Pipe Supports.

Midland Metal has appointed **Allison Sales and Marketing** of Kernersville, N.C., as its manufacturer’s representative for the North and South Carolina territory. Allison Sales and Marketing will continue promoting Midland Metal’s full line of yellow brass compression and flare fittings, black, galvanized, stainless, bronze, red brass, wrought copper, and PVC fittings, as well as its plumbing specialties and valve lines.

Prier Products Inc. appointed **Jim Benton & Associates** as their exclusive representative for the Alabama and Florida Panhandle region. Benton & Associates is headquartered in the Birmingham area and has a satellite office in the Florida Panhandle. According to Prier, they received tremendous referrals for Benton & Associates from customers, other manufacturers and even other rep agencies within their territory.

Tasman Sinkware North America has chosen **McGregor & Associates** to represent the Oliveri line of kitchen sinks in the Utah and Idaho markets. McGregor & Associates is headquartered in Salt Lake City, with a branch office in Boise, Idaho. Founded 20 years ago, the agency has 10 employees and is headed by **Ken McGregor**, a 35-year industry veteran. ■

United Pipe thrives in tough times by providing stand-out service to customers

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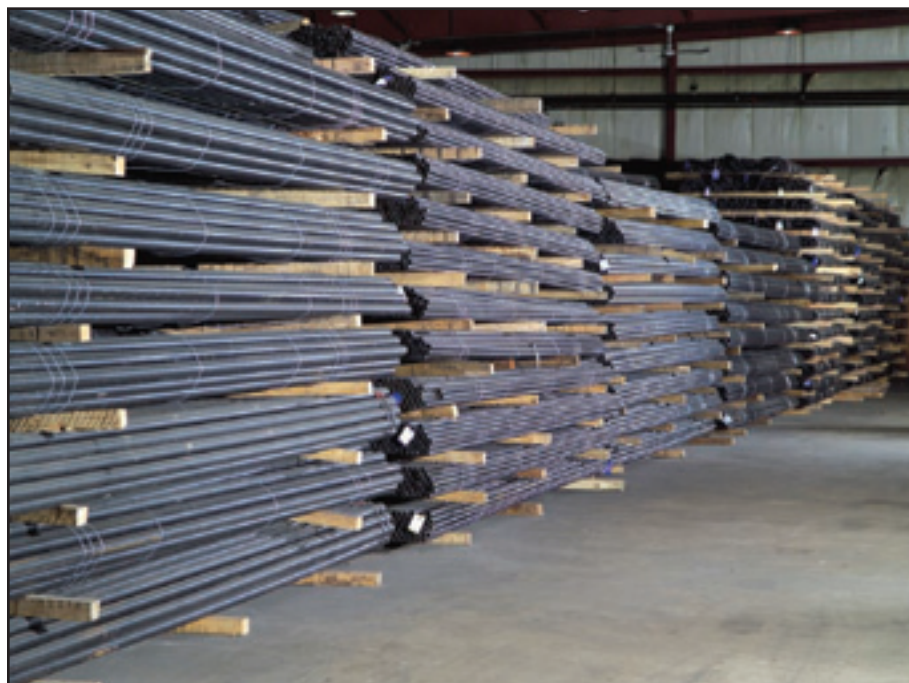
financial benefits of how our business model helps customers. It’s important to us that all of our employees can articulate what we do, how we do it, and most importantly, how customers can improve their bottom line by purchasing their commodity pipe through us.”

Leidner is justifiably proud of the reputation that United Pipe has built in the marketplace.

“Customers tell us that what sets us apart are:

- Our breadth of product, especially our steel pipe offering. We stock a full line of domestic and Canadian steel. All our T&C is continuous weld, and our customers value the high quality of our steel pipe. Ask anyone what they’d rather thread — an ERW product or a CW product — and you’ll have your answer. Even though the off-shore steel pipe may be cheaper than what we offer, it’s one of those areas where you get what you pay for.

- Our model of service, service and more service. From the time of initial



United Pipe stocks a full line of domestic and Canadian steel pipe. All its T&C is continuous weld so customers get high-quality pipe that threads easily and smoothly.

that our customers know how much they matter to United Pipe and Steel, every step of the way.

- Our operations. Our fill rates are second-to-none, helped by strong vendor relations and a dedicated warehouse crew. Also, our drivers (all United Pipe employees) are our face to the customers even more than our salespeople. I can’t even count the number of customers who have called and complimented our drivers on their politeness and help with unloading.”

Leidner noted that especially in today’s volatile economy, the smart buyer is the one who assumes the least amount of risk while maintaining high fill rates. As customers look for ways to improve their inventory turns, they often

want to buy smaller loads of product more frequently, rather than a truckload scheduled further apart. United Pipe’s products and services allow its customers to lower their inventory holding cost while reducing their exposure to the dramatic spikes.

“It is for precisely this reason that our business model continues to expand, because we provide wholesalers with just-in-time inventory replenishment on their most volatile, high-cost items,” he said. “I welcome the opportunity to talk more with wholesalers about how we can help support their business.” ■

To learn more, e-mail Greg Leidner at gleidner@united-pipe.com or call him at 800/777-7473.

United Pipe’s products and services allow its customers to lower their inventory holding cost while reducing their exposure to the dramatic spikes.

contact by our sales force, to the quotation process, the delivery, all the way through to our billing department, you’ll find that we out-service the competition every step of the way. Because for us, it’s all about repeat business — this is not a one-time shot. And it’s important