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OPEN FOR BUSINESS

How to grow furniture sales in the modern workplace

INDEPENDENT DEALER
The official publication of NOPA

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EDITORIAL

Now, I have to confess that I've never been the biggest fan of change. I'm a creature of habit, a man of routine. Always the same restaurants at the airport, same drink at the bar, same toothpaste in the tube. It's probably something to do with not wanting to grow up and to still be walking across that football field with fist raised aloft.

But, change (and growing up) is, inevitable—particularly in today's fast-paced business world. Sometimes it's good, sometimes not so much. What's important is learning to deal with it, both in terms of reaction to it and anticipation of it.

In this issue we ask a number of the IDC's principal players for their reaction to the Essendant/S.P. Richards merger and as you might expect those reactions are as varied as they are insightful. Consolidation is a fact of life in a contracting industry and office products is, unfortunately, such an industry.

That is not to say there are not plenty of opportunities out there. Our furniture feature this month offers advice on an additional revenue stream from which many traditional OP dealers have profited in recent years. Next month we'll look at other ways to change the product mix to maximize income.

Speaking of change, you might have noticed a few tweaks to the design of the magazine in the last couple of months and we want your input on those and how to move forward to with ID. I should make clear, we have absolutely no plans to change the magazine's focus on the independent dealer channel and its determination to provide a voice for it in these challenging times, but we want to make sure we are doing the best job of that we can. We will be sending an email with a link to our reader survey, or you can just click here now. Not only that, but those who complete the survey have a chance to win $500 … now that's no small change!

WINNER'S CIRCLE

Texas Dealer Flatt Stationers Celebrates 80 Years of Success

The year was 1938 and the U.S. was in the depths of recession, with unemployment nationwide at 19 percent and manufacturing posting a 37 percent decline from the previous year.

None of that stopped Leon and Jane Flatt in Mexia, Texas from following their entrepreneurial instincts and despite all the gloom and doom, they opened the business that today is known as Flatt Stationers.

Back then, it was called Mexia Commercial Printing and while that side of the business was the key driver initially, it wasn't long before office supplies and typewriter repairs were added to the mix.

"Leon continued to repair typewriters until he passed away in 1987," recalls Dick Flatt, Leon and Jane's son and currently top management at the dealership. Since then the typewriter repair business has faded but the printing and office supply businesses have expanded.

A warehouse operation was started in the 70s based on bulk purchases of paper. An additional facility was built in the 90s to handle the increasing size of that operation, which has continued to grow.

In the 1980s on a local trip, Dick saw a town hold bed races over a weekend. He thought something similar might work with office chairs. "We started 'The Great Flatt Chair Race,' which became an annual event," says Dick. *INDEPENDENT DEALER* records do not stretch back far enough to know if Flatt was the first in the industry to host such an event, but it's certainly possible. (Please get in touch with us if your dealership can lay claim to an earlier chair race!)

Today, Flatt Stationers has two divisions: a retail and printing division, and an educational division. The retail store in Mexia supports the local community and surrounding areas, while its printing operation supports area businesses as well as those across Texas. »

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[1]21 Email Marketing Statistics That Will Make You Rethink Email Marketing, Jonathan Herrick, http://www.jeffbullas.com/email-marketing-statistics/
[2]The New Rules of Email Marketing, Campaign Monitor, https://www.campaignmonitor.com/resources/guides/email-marketing-new-rules/
[3]25 Email Marketing Statistics to Know in 2017, Mike McEvoy, January 19, 2017, http://www.webpresencesolutions.net/email-marketing-statistics-2017/

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The educational division sells to more than 500 school districts in the state, as well as hospitals, municipalities, government agencies and other entities. "We still sell a lot of paper to schools," claims Dick. "That's our way of getting the business." These sales are largely to smaller school districts, which bigger resellers don't want to bother with.

Trucks go out everyday and cover the local area. "Our warehouse services sales all the way to Oklahoma in the north, Arkansas in the east, a little past Abilene to the west and as far as the southern coast," explains Dick, meaning Flatt covers virtually all of Texas.

An 80th year celebration will probably be held this July. "Leon and Jane opened their business on July 1 in 1938, so we're planning to have an 80th celebration then," says Dick.

South Carolina Dealer GOS Hosts 50th Anniversary Party

Fifty years for a locally owned and operated business is a momentous achievement for any company, so it was only fitting that Greer, South Carolina-based GOS threw a huge celebration for its customers last month to mark the landmark.

Charles Scales III, president and CEO, led the evolution of GOS when he took ownership of the company in 1992. When Greenville Office Supply first opened its doors in 1968, it only serviced local businesses with standard office supplies. Under Charles's leadership, the company rebranded to become GOS in 2007 and now has customers across the country that buy from not one, but six product categories: furniture, promotional products, cleaning supplies, professional printing, breakroom and coffee, and of course office supplies.

Today, GOS is still truly locally owned and operated as Charles's three sons all work for him. Together, with the help of 53 company employees, GOS has made a name for itself with a reputation for the highest quality customer service, timeliness of deliveries, competitive pricing, and customer satisfaction.

The GOS 50th Anniversary Party on April 26 hosted more than 300 local companies along with 50 vendors from 11:00 a.m. until 3:00 p.m. Guests received GOS-branded gifts and other giveaways as they visited a vendor show in the GOS warehouse. Attendees ended up in a large party tent at the back of the facility, where they enjoyed catered gourmet food, a celebratory cake, live music, and a commemorative photo booth.

Phoenix Dealer Goodmans Interior Structures Promotes Conscious Capitalism

There are plenty of dealers around the country who commit time and resources in support of worthy causes, but few take that commitment as seriously as Adam Goodman, CEO of Goodmans Interior Structures in Phoenix.

Adam is a follower of Conscious Capitalism, a movement whose members believe that while it is essential for businesses to make money, that's not the only or the most important reason that they exist. By focusing on a deeper purpose, a conscious business inspires, engages and energizes its employees, customers and others to trust and even love it.

Adam was recently featured as guest editor of the Greater Phoenix *In Business* magazine, with an extensive feature story inside which explored the way businesses can put the concept of Social Entrepreneurship into practice to benefit the community.

"Conscious Capitalism Arizona is a chapter of an international movement trying to change hearts and minds and to persuade our local, fellow business executives to think about business as a force for good," said Adam. It is about having a higher purpose, which is not to be confused with a mission statement, he said. "The mission statement is about what a company has been organized to do, the higher purpose is why you exist.

"If you didn't exist, who would miss you?" asked Adam. "There are plenty of furniture suppliers so if we did not exist people would figure out another way to procure furniture. But I can point to lots of organizations all over the city who would deeply miss us if we were not here."

Conscious Capitalism Arizona currently has 300 members. The International Conscious Capitalism Conference will be held in Phoenix next spring. "We are really excited about it. So we are mobilizing to get 1,000 businesses there," said Adam.

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AVERY

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Buy on Purpose Is the New Identity for Texas Dealer EIS Office Solutions

Also in the "good dealers doing good deeds" column is Houston-based EIS Office Solutions. After more than a decade in business, the company is rebranding under a new name, Buy on Purpose, to better align its public face with its value proposition, "ordinary dollars doing extraordinary work".

Since its founding, EIS has been committed to helping society's most vulnerable by partnering with organizations to fight human trafficking, provide clean water and promote adoption and foster care. The dealership donates 50% of its profits to carefully selected non-profits that improve lives around the globe.

To make this change as effective as possible, Simon Lee, owner of Buy on Purpose, worked with an outside agency for more than a year. "We looked at colors, lighting on our videos and the details of every element," said Simon. "It was hard work but the work is paying off already."

The change went into effect at the end of March and within weeks Simon began to see tangible results. One of his largest customers, with 170 branches around the country, was one of the first to react. "The minute that we switched the brand on our website the owner emailed his purchasing department to make sure that their other locations knew who we were," said Simon.

"Renaming to Buy on Purpose better positions the brand as cause-driven and is attractive to those young and old who are driven by serious social justice issues," said Simon.

The rebrand includes an updated logo and font set, fresh web presence, vehicle graphics, video content, stationery, signage, catalog and other marketing collateral.

Buy on Purpose takes ordinary items like office supplies and makes them extraordinary in the lives of people. It donates 50% of its profits to fight human trafficking, provide clean water, and promote adoption and foster care.

Palace Business Solutions Supports The Second Harvest Food Bank of Santa Cruz, California

Dealers around the country support many charitable institutions for a variety of solid reasons. Palace Business Solutions, Santa Cruz, California has selected the Second Harvest Food Bank to be the primary recipient of its largesse.

"It is a priority for the owners," says Todd Trowbridge, chief experience officer. "Everybody can agree on the need to feed people."

Last year Palace contributed the equivalent of 20,000 meals to the Food Bank. The effort was driven by a promotion based on paper purchases. "If you bought a case of Hammermill paper Palace donated 10 meals to Second Harvest," said Todd. That came out to 2,000 cases of paper, which supported the food bank as well as Palace's bottom line.

The effort took place during October, which was designated at Strike Out Hunger Month. Palace's drivers wore orange T-shirts throughout the month to promote Second Harvest and the dealership's efforts were recognized at a celebratory dinner attended by all of the owners.

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California Dealer Stinson's Merges With O'Leary's Office Products

In Bakersfield, California, long-time independent Stinson's has merged with nearby O'Leary's Office Products to form a stronger and better positioned office supplier. The two locally owned dealers have been friendly competitors for years and conversations about a combination first began last November according to Russ Haley, Stinson's vice president.

"We are excited by the combination of two independents in a community of about one-half million," said Russ. "By coming together it definitely gives us more strength and enables us to reach more people." The next closest independent is probably about 30 miles north, Haley reports.

The merged company has increased sales volume at Stinson's by 25 percent and will operate under the Stinson's name. John O'Leary and the O'Leary's team have joined the Stinson's offices, where operations have been consolidated. The sales team has been expanded with the addition of two inside and two outside salespeople, including John O'Leary, who will continue in sales.

Fireside Office Solutions in North Dakota Acquires Woodmansee's Office Supply

In Bismarck, North Dakota, two local independents have joined forces following the acquisition by Fireside Office Solutions of Woodmansee's Office Supply.

Discussions between the two dealerships to combine operations began last fall. "Woodmansee's had been in business since 1914," said Marcel Bourgois, vice president and co-owner at Fireside. "Fireside had started in business in 1979 and founder Bill Whalen and Woodmansee's current owner Joe Woodmansee knew each other quite well."

Fireside is primarily a furniture dealer representing Steelcase and of late supply sales have been flat. "We had to make a decision either to do an acquisition or to get out of the business," said Marcel. The acquisition of Woodmansee was just the shot in the arm that Fireside needed.

In the community of Bismarck, the two dealerships largely covered different customer bases. "We gained office supply customers; there was surprisingly little cross over," Marcel said. The Woodmansee staff has joined Fireside and the supply sales force has doubled from two salespeople—one inside and one outside—to two inside and two outside.

Supply sales should increase close to 40 percent, said Marcel, and to sustain growth, Fireside also plans to make a strong effort to increase JanSan sales, he said.

California Dealers Harris Office Products And American Office Products Join Forces

Harris Office Products, Van Nuys, California, has merged with American Office Products (AOP) of Chatsworth. Discussions had been ongoing for more than two years and the union was finally agreed this past March 1. The key to making this happen, said Richard Zelden, president of Harris, was different ownership at American OP that was more open to the union.

"We gained furniture specialists that we didn't have before," said Richard. "Now we have a full-blown furniture division and that is the biggest change for us." Along with adding the furniture division, Harris Office Products has seen sales volume increase by 50 percent.

Most AOP employees now work for Harris except for a couple of positions that were duplicated. "We brought on three office supply salespeople, three furniture specialists and two customer service persons," Richard reports. To support the new furniture division, Harris took close to 2,000 square feet from its warehouse to create a furniture showroom. That space displays furniture from HON, Maverick, Eurotech and 9to5 Seating.

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Art Projects Celebrate Easter at Southwest School & Office Supply in Mira Loma, California.

Employees at Southwest School & Office Supply, Mira Loma, California, are a competitive lot. One of the favorite competitions at the dealership is its annual Easter egg contest, which requires employees to build an art project using eggs.

Ten employees competed this year and came up with a variety of clever and creative tableaus. "Last year the winner was Noah's Ark. It was absolutely stunning with Noah and all the animals constructed out of eggs," said Southwest owner Sandy Stickler.

Judging of this year's entries was conducted by Sandy, her sales manager and her accounting manager. There were two standout constructions: one, entitled Disney Princesses had different sections for each character such as Rapunzel, Sleeping Beauty and Snow White; another built a Southwest School Supply delivery truck.

Ohio Dealer King Business Interiors Starts Book Club to Keep Businesses Alert and Informed

Is there a connection between books and office furniture? You bet! Just ask Darla King, president of King Business Interiors, Columbus, Ohio. "There were so many good books coming in that we needed to find a way to share them," said Darla. That was the genesis of the King Book Club.

"I read a lot of business books and different books for work," said Darla. Often the books cover subject matter that designers, architects and even furniture customers can find useful. And by tying blog posts to the books being read, the dealership has been able to give its online profile an additional dimension.

The club's first selection was *Change Your Space, Change Your Culture* by Rex Miller and Mabel Casey, with close to 30 people responding to a book review that was posted on the dealer's blog.

"We are not just here to sell furniture," said Darla. "We're here to be good stewards of business and to understand needs."

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Rogards, Champaign, Illinois

Since buying out her partner almost two years ago, Tonya Horn, owner and president of Rogards, Champaign, Illinois, has been making changes aimed at strengthening her dealership and increasing its chances of surviving and prospering, whatever the industry may send its way. She has expanded her management team and made it more collaborative, eliminated a struggling retail operation and endeavored to expand furniture sales—with plans to hire a specialist.

That increased focus on furniture has seen the category grow to a steady 20 percent of total sales. Supply sales are also rising, but much more slowly and organically. "We're actively trying to recruit an interior designer to add to our team before the end of the year because we feel that is the next step," says Horn. "We've been in the contract furniture game for a while now and felt it was time to take it to the next level," she adds.

Currently, project management activities are shared by five or six different employees. With the addition of a dedicated person to handle proposals and take care of project management concerns, internal resources will be freed up to look after other activities. "The account executive will still be responsible for lead generation but when a hot furniture lead comes along, they will pass it to the designer," says Horn.

Over the last 18 months, Horn has added an operations manager to oversee the warehouse and deliveries and a sales director, reasoning that if someone has their eyes on deliveries and someone else is watching sales, then the company will stay on the right path. She also instituted weekly management meetings, which have helped to improve communications. "You can blend ideas together and come up with really good solutions," she says.

Last fall, Rogards exited the retail business and converted the redundant space into a furniture showroom. However, that will change as the lease on the current location expires soon. The plan is to lease a new 14,000-square-foot facility, which should happen by late summer. The space will be split almost evenly between warehouse and office space that will combine a formal furniture showroom with a working showroom. "My office will be open for customers to stroll around and look at the furniture," she says.

Horn is active with Independent Stationers and currently serves on its board of directors. "Sometimes I joke that I'd just like to go back to running my own business in little, isolated Champaign and not know what I know," but her industry dedication and knowledge flies in the face of that thinking.

She suggests the upcoming wholesaler merger will be good for the industry and is certainly preferable to the alternatives. "Everybody needs to pay attention to how they are buying," she says. Going from two wholesalers to one, dealers will have to change procurement practices, she suggests. "On the office supply side buying group and direct-buy relationships, potentially, are more important than ever," she says.

Key management team members: Tonya Horn, president; Darrin Horton, sales director; Derek Andersen, operations manager; Heather Culbertson, marketing manager: Josh Horn, CFO.
Products carried: Office Supplies, Office Furniture, Janitorial, Breakroom, Print and Promotional Products, K-12 Educational Resources.
Year founded: 1906
Annual sales: $4 million
No of Employees: 16
Key business partners: Essendant, Independent Stationers, ECi/DDMS.
www.rogards.com

The next iteration for Rogards is almost certainly going to involve some sort of acquisition. "As dealers look to exit the business I hope that Rogards has the opportunity to be an acquirer," she says. It could be an office supply or an office furniture business or even a janitorial distributor. Right now Rogards actively pursues business in a 45-mile radius of Champaign and Horn plans to push that boundary further out.

Looking ahead she sees office furniture and janitorial products taking on increasing importance. She also sees a third growth category—maybe safety, maybe food service, maybe something else—becoming a new opportunity. "We are trying to continue category expansion in a smart way."

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The Essendant, S.P. Richards Merger: Dealer Concerns and Reaction

Did somebody say game-changer? That was the word on the lips of more than just a few office products folks last month, following the announcement from Essendant and S.P. Richards parent company Genuine Parts that the industry's two national wholesalers were merging.

Both companies have been contending against increasingly challenging headwinds in recent years. That fact was underscored in the week following the announcement with the release of their latest quarterly results.

Sales for Essendant's 2018 first quarter were down 2.3% to $1.2 billion, compared to the same period last year, with JanSan sales down 5%, traditional office products sales down 9.6% and office furniture sales falling by 18.4%.

Essendant posted an adjusted net loss of $4.3 million in the quarter (-12 cents per share) compared to adjusted net income of $9.2 million (+25 cents per share) in the first quarter of 2017.

At S.P. Richards, first quarter sales, as reported by parent company Genuine Parts, were off 4.8% while the company's operating profit for the quarter fell by more than 30%.

The merger deal values S.P. Richards at around $680 million and if it gets the necessary shareholder and regulatory approvals, will create a new, $7 billion company that will operate under the Essendant name.

Current Essendant president and CEO Ric Phillips will lead the combined company, with current Essendant CFO Janet Zelenka continuing in that role and S.P. Richards CEO Rick Toppin assuming the chief operating officer position.

In a conference call with investment analysts following the announcement, Phillips indicated that Harry Dochelli, currently Essendant's president of office and facilities, will also remain with the company in a senior leadership role.

Essendant estimates that the merger will bring more than $75 million in annual cost savings, in addition to previously announced savings in excess of $50 million, and generate more than $100 million in working capital improvements.

The immediate word from both wholesalers was that it was "business as usual" going forward, though with Essendant predicting it will realize 90% of its forecast $75 million in cost synergies by Year Two of the new combine, things may not stay that way for too long.

A separate development further complicated a situation that was already plenty complicated for many, as both wholesalers disclosed to their channel partners plans to start acquiring independents in a bid to counter any further lost sales from dealer acquisitions by Office Depot and Staples.

What does it all mean? Clearly, these are very early days and right now, there are far more questions than answers. What might those answers look like, though? We went out to the dealer community and asked them what they thought. Here are some of the responses we got back:

Chris Kyle, president
Kyle Office Solutions, Tuscaloosa, AL

I don't think anyone was really surprised by all this. From the wholesalers' point of view, it makes total sense. As they have pointed out, it will mean less duplication of assets and manpower.

As a dealer, I don't like it because I like to have options. It's been a while since we had multiple wholesalers to work with but at least we had two up until now. Certainly, the merger creates a degree of uncertainty that we don't need.

Obviously, it's going to be very important that our wholesaler—assuming the deal goes forward—continues to give us competitive pricing. In fact, with all the benefits the merger is expected to bring, our pricing should be even better going forward.

We will all have to wait and see, of course. Meanwhile, we are starting to analyze our wholesaler purchases a little more closely to determine when it make sense to move to more of a direct-buy approach. We were more of a stocking dealer ten years ago and have been using wrap and label more since then. Now, my gut tells me the pendulum could well be swinging back in the direct-buy direction.

Gary Ables, owner
Ables-Land Office Products, Tyler, Texas

I have spoken to a lot of dealers since the merger was announced who have voiced concern—particularly if they're primarily stockless—that their cost of goods will be going up and they will no longer be competitive. We're first-call with S.P. and the indication that I've gotten from them is that they are committed to keeping us competitive. They've indicated that pricing will be getting much better and that will only help us.

At the same time, though, we're going to be watching things very closely. I am going to be looking very carefully at the transition team that is going to make the decisions on who's in and who's out, in terms of key employees.

Who's going to be making those decisions? The composition of that team will probably be the first indicator to us of what direction this new company is likely to take.

And if the Federal Trade Commission lets the deal go through, we are all going to be looking at the new programs because, at that point, I'm sure it's not going to be business as usual, despite what anyone is saying right now.

If I were a manufacturer, I would be pretty nervous about all this. Essendant had already started talking about cutting down on suppliers and now, if you aren't part of the new company's programs, how are you going to sell your products?

It is a very nervous time for our industry in general. Some dealers may just decide it's time to move on, particularly those who aren't in the best position financially or operationally to stock any product. So it's very possible the merger could provide impetus for more consolidation at the dealer level.

It could also mean consolidation at the group level. A lot of people have said we've got too many buying groups. If S.P. and Essendant can come together, then surely the buying groups could also. If you could just look at it from a dollars and cents standpoint and leave the egos out of it, we could get a lot done.

Mike Gentile, president & CEO,
Independent Stationers Group, Inc, Indianapolis, IN

People are asking if the merger is a good thing or a bad thing? I hope it will turn out to an awesome thing!

Whenever there's been a combination of fear, uncertainty and optimism in our industry in the past, good things have happened. That's how BPGI came about—when the big box superstores came into existence and dealers realized they had to work together.

Right now, there's an opportunity for both the wholesaler and the manufacturer to recognize that their future lies with the Independent Dealer Channel and not with Staples, Office Depot or Amazon.

This could turn out to be an awesome time for the dealer groups. Dealers are more interested now in trying to find more efficient ways to buy direct and our RDC program is a perfect model for that. It's a better way for a dealer to buy direct—particularly for a small to mid-size dealer— but even our Pinnacle dealers have become significant RDC customers today.

Will the merger provide additional impetus for IS and TriMega to get together? It could, but only if there's a recognition first of all, that a one-size-fits-all approach will not work and secondly, that you can't have a select few govern the many.

The wholesalers have not been at all bashful about their intention to acquire dealers through some kind of equity arrangement. That's all well and good, but it could end up putting them on some very thin ice. Do you favor a group of dealers that you either own or have an equity stake in over your other customers? Anyone in that position will have to be very careful about how they navigate all that.

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John Givens, CEO

Source Office & Technology, Golden, CO

We're in a rapidly consolidating industry with excess capacity and that makes joining forces a great idea for just about anyone. I also believe one healthy wholesaler is better than two weaker wholesalers, provided, of course, that they establish a grand vision that benefits their customer, the independent dealer.

A $7 billion dollar wholesaler who's bringing four points to the bottom line represents a tremendous resource for the independent dealer community, but the grand vision is critical and the consolidation has to be implemented correctly.

I'm an eternal optimist and I think the world of the leadership teams at both companies. They're extremely professional and talented business people and their transition from fierce competitors to partners in arms could be of tremendous benefit to the IDC.

If they can work together to equip the dealer community with the right tools to exploit new product and service opportunities, while at the same time taking cost out of the channel, we'll be in great shape.

But that grand vision is critical and I'm looking forward to learning more about it. Meanwhile, I'd like to offer one last thought for all of us to ponder: If you think change is hard, try extinction!

David Guernsey, CEO

Guernsey, Inc., Dulles, VA

There was a certain inevitability about this merger. If we were going to have a wholesaler serving the Independent Dealer Channel, something had to be done to bring that wholesaler to a healthy position. I don't know if this specific combination was absolutely necessary but something was, and at least now, we know what we have.

Whether or not it turns out to be a good thing or not really depends on how the new company uses the cash that will be saved as a result of the merger. If it just goes to the bottom line and it's not re-invested to help the IDC become more competitive, I don't think we've gained much.

I've heard speculation that the first thing a single wholesaler will do is raise prices but I don't really see the wisdom of that for Essendant. At the end of the day, they still need the IDC to be competitive, so what purpose would be served by raising prices on us?

As far as the idea of them buying dealers goes, I think we'll just have to see how that plays out. They're obviously trying to lock in the volume that might otherwise go to Office Depot or Staples but I'm not sure how the rest of the IDC will react.

Let's say Essendant has multiple dealer customers in a major market and they buy one of them. How will the other dealers in that market react? The merger, of course, going from two to one traditional wholesaler, rules out what would have been the obvious option.

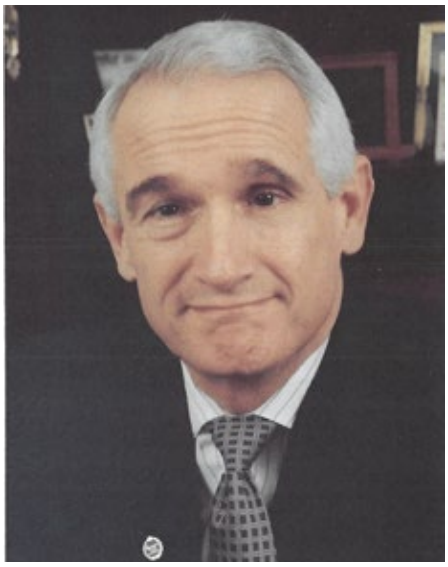
But, if the dealer's stockless, they may decide to start shifting some of their purchases with the wholesaler into the direct-buy column.

Or, a stocking dealer may increase their direct-buy and reduce spend with the wholesaler. And, there's always Amazon as a de facto wholesaler. Three options, none of which beneficially impact the one wholesaler left standing.

I don't really see the deal providing any more impetus for consolidation among the dealer groups. Unfortunately, this is a situation where big heads get in the way of good business sense and I don't see that changing any time soon.

At some point, when the groups are forced to do something because they don't have the wherewithal to sustain their model, we may see some movement but we're still a way down the road from that happening.

It's a curious time. I've been through a lot in this industry in my almost 48 years and clearly there's more to come.



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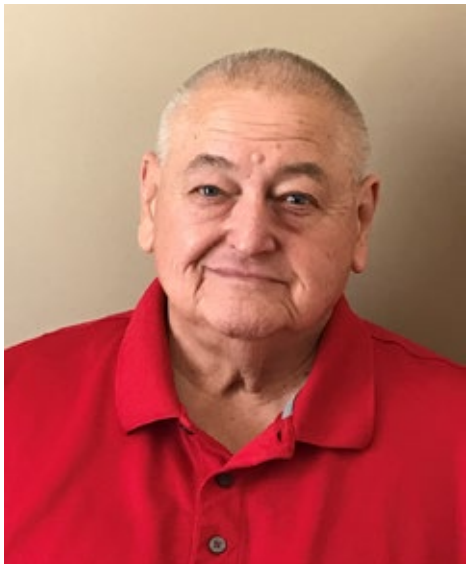
Jim Hebert, owner

Office Partners, Inc., Odenville, AL



I don't think anybody knows yet if this merger will turn out to be a good thing or a bad thing. First of all, I don't think the government's going to go along with it. It would be different if there were three wholesalers but I can't see them agreeing to just one.

But even if it does go through, they'll have their challenges. Essendant on its own can't handle all the business the two companies represent. They just don't have enough distribution points.

Secondly, there is no synergy between the two organizations. They operate totally differently from each one and other and how do you bring them together without spending millions of dollars to make it work? What's most likely is that they'll hang the ax out over the vendors once again and say if you don't do what we want, you're out!

We're already running out of vendors and all that, plus the wholesalers' growing emphasis on private label, will only put more pressure on them.

Meanwhile, both wholesalers are saying that they're going to go out and buy dealerships and that means they'll have direct access to the consumer. They already control all the pricing to the dealers and they know what they charge their dealers for everything else. The dealers won't have a chance and neither will the vendors.

I wouldn't be too surprised if we found ourselves back in another Boise Cascade scenario, where you have someone operating as a wholesaler and also selling direct. At least with Boise, we had several other wholesalers. This time, we won't.

This could all turn out to be a windfall for the buying groups. Dealers might feel almost obliged to move more to the direct-buy side because it will be the only way to protect themselves. They won't have any other place to go.

Skip Ireland, owner.

COS Business Products & Interiors, Chattanooga, TN

Commonsense tells me that the industry was ripe for consolidation and I'm not opposed to that. If the leadership of the new company is all-in on their support of the independent dealer, we can't help but be better. However, if their agenda is more about just driving their top and bottom lines, then I don't think anyone will end up very happy.

It is a partnership and we need our partner to be healthy. But we also need to make sure that some of the benefits from the consolidation get passed along to us. I'm hoping the new Essendant will offer us e-content that's second to none. We should have analytics that are second to none. We should have the best cost of goods that we've ever had.

If you took the combined monies from both companies and put them together in support of the independent dealer, we would be light years ahead of where we are today. And I want to think that will happen. But I'm like everyone else, I'm going to have to wait to see.

Meanwhile, there are a couple of things that would be glaring red flags signaling things aren't going the way I'd like to see them going.

One is if there was any indication that an existing Essendant dealer was going to get a better deal than a new Essendant dealer who was formerly an S.P. first-call. If you're in a city where the first and second place dealers are one for each side, what's going to happen to the S.P. dealer? Is he going to get the same deal? There needs to be total transparency and equality of treatment and if there isn't, that would be a red flag in my book.

Secondly, if we're going to go all-in, then it takes the wholesale/direct sales model off the table. It's already tough enough with so many other people selling the same products we do and you can't ask us to trust you if you're going to be competing against us as well.

The good news for them is that there are a lot of people in the IDC who will support the deal if it all goes as promised and they truly do take the best from both companies.

At the end of the day I need to know the new company is going to take a long range approach in building a better company and a better solution for the IDC, instead of a quick-fix approach to impress Wall Street at our expense.

 CONTINUED FROM PAGE 17

Jordan Kudler, president,
Legacy Office Solutions, Brooklyn, NY

Obviously, it's far too early to tell what's going to happen and we will all have to wait to see how this plays out. Having said that, however, there are some points we can make right away.

Both wholesalers have said for many years that they view independents as key business partners, so I hope that when they make a decision of this magnitude, they will continue to take their business partners' best interests to heart.

I also hope that the leaders of the new combined entity will take a hard look at their future acquisitions strategy and make decisions that benefit the IDC at large.

I understand that their motive for possibly taking an equity position in certain dealers within the IDC is driven by a desire to keep the business from falling into the hands of Staples and or Depot/Max. Nevertheless, it's a difficult pill for the independent dealer community to swallow. It's a real paradigm shift.

I've been in this industry for more than forty years and I've never seen just one wholesaler. I'm not sure how long that situation will remain in place. Change always leads to opportunity. Perhaps there might be wholesalers in adjacent industries that will see the void as an opportunity to gain entry into the wonderful world of OP. Only time will tell.

What I can say with some degree of certainty is that historically, the independent dealer community has seen many changes and, as in the past, we will figure out how to adapt and navigate our way through this new terrain. Even though we are fewer today than years ago, we are still here and fighting the good fight!

Mark Leazer, executive director
AOPD, St. Charles, IL

I've talked to a lot of different people—manufacturers, dealers, dealer groups, wholesalers and others—and I'm not hearing any real consensus on what the merger actually means. About the only thing we all agree on is that at this point, it's all speculation anyway.

Will it speed up the pace of consolidation? Probably. Will somebody else step up—assuming the deal is approved—to fill the void of the second wholesaler? Personally, I think it's naïve to expect something like that won't happen, and whoever that new entity turns out to be could have a big impact on things going forward.

I also wonder if now that there's only going to be one wholesaler, will that one wholesaler choose to focus on being truly a wholesaler instead of going into vertical markets and bidding direct? Obviously, I know what answer I'd personally like to that question but we'll just have to let things play out and see what happens.

On the positive side, there are plenty of synergies that can be created through a merger like this. A lot of redundancies can be removed and if the savings that result from that are properly deployed back into things that will help the independent dealer and the channel in general, it could be a good thing.

On the flipside, I know a lot of dealers are worried about costs going up and if that happens it will make us less competitive and make the channel as a whole shrink some more. But the one thing I've heard over and over again is that the wholesalers really can't afford for their dealers not to be competitive in the marketplace, so there's almost a self-regulating cap on something like that.

 CONTINUED FROM PAGE 18

Mike Maggio, president
TriMega Purchasing Association, Rosemont, IL

If Essendant and S.P. Richards accomplish everything they say they're going to be doing, there will certainly be some benefits but ultimately, the true measure is going to be a year to a year-and-a-half after it occurs—if it occurs!

There is certainly the possibility that prices to the dealer will start going up since they will be the only game in town, but they have both been vocal that won't happen as 80 percent of their revenue is dependent on independent dealers and they're not going to do anything to make the source of that revenue less competitive. I believe they are both sincere in that assertion.

I'm more concerned about some of the services wholesalers provide for independent dealers like wrap-and-label, drop-ships, marketing, e-content and so on. Today, those are all either subsidized or free. Will the remaining entity continue to provide that same level of support and on the same terms that they have been doing?

As far as wholesalers buying dealers goes, I'm personally struggling with the strategy. I'm still not sure I know what happens to the other dealers in a market when one of them is bought by the wholesaler. That's a real concern and it should be a real concern to all of us.

For TriMega, the merger presents an opportunity to strengthen and expand our supply relationships—both with dealers and manufacturers—and in that respect I look upon it as a positive.

We have had some inquiries already from stockless dealers who are wondering if they should be moving towards more of a direct-buy model. We're not seeing any great rush but we have had a few calls and I suspect we'll get more.

We've also heard a much louder call for consolidation among the dealer groups since the merger was announced.

TriMega has publicly communicated on numerous occasions our goal to bring the two organizations together. In order to do that, the leadership teams of both organizations should set aside concerns and pre-conceived notions, sit down in a spirit of collaboration to come up with an operating framework that is beneficial to the independent dealers that form both organizations.

I believe we both have leaders strong enough to accomplish that and now is the time for them to step up so that our dealers and the channel can move forward together.

Justin Miller, CEO
Highbar Trading Co., Memphis, TN

I'd be lying if I said the merger didn't have a little bit of a shock value initially, but it only took me five seconds to move on. Here's what my intuition tells me about the likely impact:

Manufacturers will once again have the life squeezed out of them and some will come out on top and some won't. Progressive manufacturers who have either monopolized their product lines through consolidation or developed niche product lines and true value-add will come out ahead because there are only so many pennies that can be taken out of the wishing well.

Buying groups will probably just wait and see how things progress before doing much of anything. Eventually, they might see this as an opportunity to further push their direct-buy agenda. The other option is to support the merger if they feel it's in the long term interest of their members.

Distributors and big box companies need to consider how this industry will look five-to-ten years from now. The speed of transactions and deliveries will only get faster and the product breadth will only increase.

They will need access to more SKUs, more delivery options and technology solutions to be a multifaceted, virtual inventory provider for their clients.

As a distributor, I'm loyal to this industry (now multiple industries) and I'm loyal to our employees. No single system/software provider, wholesaler or even buying group is solely responsible for making Highbar Trading Co. what it is today.

The level at which they partner with our company helps us succeed, but they're not the ones who are going to pick up the phone and call that prospect, send emails at 10:30 pm, make a same day delivery or pay my utility bill.

As distributors, we need to help carry this industry forward instead of holding it back. Many of my colleagues will be against this merger, but I am in favor of it.

If you compete on price and you're worried about the monopolization of the wholesale channel, then maybe you do have something to worry about. On the other hand maybe you don't, but I'd much rather there be a strong wholesaler supporting this channel than none at all.

 CONTINUED FROM PAGE 19

Mark Porter, president

Porter's Office Products, Rexburg, ID

The merger will be a good thing if it results in a better cost of goods for the independent dealer but even so, I'm not looking forward to the prospect of having no other wholesaler alternative.

It seems like in just about every market, at least in our experience and from other dealers I've talked to, one or other [of the wholesalers] is really good and one or the other is really bad. Which one will prevail, as far as the leadership in those markets is concerned, is of concern to me.

So too is pricing. Even though independents represent 80 percent of the wholesalers' business, the perception at least is that the megas get the better pricing programs.

Will that situation get even worse to maximize profitability for shareholders? Are they going to pass on the benefits of better cost of goods or will we be taken advantage of because they're the only game in town?

I'm also concerned about some of the ramifications of the deal for other industry players. Our technology partners, for example, get a significant amount of their revenue from the two wholesalers. If the deal goes through and the technology providers see that source of revenue fall significantly, are they going to be increasing our fees and costs to us? That's a definite concern.

I can see some benefits to the dealer groups, though. We're a TriMega member and I see a definite opportunity for the group to strengthen its relationships with vendors and make it easier for the dealer to buy direct. I've also talked to numerous dealers since the merger was announced who are going to be increasing their stocking positions.

I would also hope that this merger will encourage consolidation among the dealer groups. If there's only going to be one wholesaler, maybe it's time for our dealer groups to recognize that they too need to come together.

City of Hope™

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2018

Northern California Golf Benefit

City of Hope Generations for Hope

HONORING RICK TOPPIN

In 2018, City of Hope's National Business Products Industry will be honoring one of the industry's preeminent leaders, Rick Toppin, President & CEO of S.P. Richards Co. as the 2018 Spirit of Life honoree leading the "Generations for Hope" fundraising campaign in support of City of Hope.

Sunday, June 24th & Monday, 25th 2018

Register for the 9th Annual City of Hope Event by visiting our registration website. Accommodations will be offered at the Marriott Waterfront Hotel in Burlingame, CA adjacent to the San Francisco Airport with at the COH guest rate of $199 a night for Sunday and Monday nights (limited availability)

EVENTS

- Sunday Dinner at the Dodge Home
- Golf at the Olympic Club
- Tournament Round- Lake Course
- Warm up on Cliffs Course- Tee off at 8:30 AM (limited to 36 Golfers)
- Registration Opens @ 9:30 am, Shotgun @ 11:00 am
- Cocktails, Dinner, Awards & Auction to follow Golf

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Nick Aronis
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End of the EPIC Era, dealer groups confirm

Independent Stationers and TriMega have announced to their members that their EPIC joint venture industry event will cease after this year's show.

The move comes after TriMega's board of directors voted unanimously not to take part in the collaborative event in 2019, citing a decline in dealer attendance, both wholesalers announcing plans for events in 2019 and the manufacturers' concern regarding the expense of supporting multiple conferences in the same year.

In their separate announcements, both dealer groups expressed support for a single industry event in 2020, stating they are "actively working with BSA and NOPA" on that initiative.

Both groups also indicated they are planning to hold smaller, more focused meetings for their members in 2019, although no details had been finalized as *INDEPENDENT DEALER* went to press.

EPIC was launched in 2013, with its inaugural event in San Antonio, Texas and has since visited Fort Lauderdale/ Miami, Nashville and Las Vegas twice. This year's event will take place October 15-18 in New Orleans and has the tag line "Disrupt Ordinary".

Canon to follow U.S. suit with Canadian toner cloner crusade

Following last month's news that Japanese imaging giant Canon is suing a number of U.S.-based sellers of cloned toner cartridges, it looks like the firm may well be embarking on a similar mission in Canada.

Employing a similar strategy to that used in the U.S., Canon recently filed a 255-page amendment to its Canadian IP protection, beefing it up to the tune of 1,000-plus filings.

INDEPENDENT DEALER understands that the IP covered by the amendment includes eight of the nine patents asserted in the case it brought before the International Trade Commission and in a number of infringement lawsuits in various district courts in the U.S.

Industry commentators are speculating that if, as seems likely, the patent amendments are granted, Canon could launch a wide-scale enforcement campaign north of the 49th parallel in the near future.

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Clover underlines green credentials in ninth annual report

Global imaging products, services and solutions specialist Clover Imaging Group (CIG) has released its ninth annual Sustainability Report, highlighting major environmental achievements and initiatives from its global enterprises in 2017. Some of the firm's more significant achievements from its global facilities include the following:

- Collected over 40 million units
- Recycled over 2 million lbs of material
- Planted 153,513 new trees since its partnership with PrintReleaf
- Remanufactured over 18 million units
- Achieved a 15.9% reduction in packaging per shipment

"Over the years, as our company has grown, so has our commitment to sustainability," said George Milton, CEO for Clover Technologies Group. "The Clover we know today has expanded from a single facility in Ottawa, Illinois, to facilities throughout the world. We continue to develop as a company and deepen our understanding of sustainability and its impact on our long-term success. While we still have much to learn and achieve, our commitment to sustainable business practices remains strong."

To view Clover's 2017 Sustainability Report in its entirety, visit: www.cloverimaging.com/sustainability_report.

Date and location set for 2018 'Spirit of Friendship' golf event

The fourth annual Spirit of Friendship Invitational Golf Event will take place August 16 at the Temecula Creek Inn in Temecula, California and organizers promise a day of fellowship and a re-creation of the warm spirit of similar industry golf events from years gone by.

The event will also feature a practice round and welcoming cocktail party August 15 and an awards dinner August 16.

For more information or to register contact Mike Wilbur (310-809-7536; mike.wilbur@verizon.net).

Members of Office Partners and their friends were once again out on the water in support of a good cause last month, as the group raised $32,000 for City of Hope and the Children's Hospital of Alabama at its annual Bass Fishing Tournament. Congratulations are in order this year for Mike Biddle of Smead, who was honored with the Bud Mundt MVP award for 2018. The award was presented in memory of former AOPD executive director Bud Mundt, who died last year after a long and courageous struggle against cancer. Also celebrating: Essendant's Joe Templet and Fellowes' Tracy Stoll, who won trophies for hauling in the largest fishes.

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Highlands extends partnership with KFI Seating

Sales and marketing agency Highlands has announced an expanded partnership with KFI Seating, which it will now be representing in the Office Products Channel.

KFI is a manufacturer of tables and chairs for commercial, hospitality, education, government and healthcare locations. Based in Louisville, Kentucky, all KFI products are assembled in the USA. The firm invests its efforts in speed, service and design, with a heavy emphasis on the need for a great customer experience and community involvement.

"We've been very impressed by the repositioning of KFI," said Bob O'Gara, CEO of Highlands. "Their emphasis on affordable design is what many customer segments require today. This is the perfect time to extend our relationship."

"KFI has had great success working with Highlands on strategic e-commerce accounts," said Chris Smith, president and owner of KFI Seating. "We have been impressed with the professional sales approach, strategic thinking, marketing and most importantly, relationships with key accounts. We are excited to now work with the entire Highlands family."

SitOnIt Seating and IDEON get CET inclusion this spring

California-based seating brands SitOnIt Seating and IDEON have announced that they will both be available in the CET Designer space planning and product ordering program this year.

"As brands that value affiliations to elevate the customer experience, it was only natural that SitOnIt Seating and IDEON found their way to Configura for CET Designer Extensions," said Tim Kiger, vice president of sales at SitOnIt Seating and IDEON.

"We're excited to have our products represented in CET Designer. This will make it easier for our partner dealers to do business with us," he continued. "We believe that CET Designer has set a new industry standard for interior space planning and will make selling products faster, more user-friendly and extremely accurate."

INDEAL adds tech string to dealers' bows with digital marketing manager appointment

Contract furniture dealer group INDEAL has appointed Brandi Hoffman (above) as its new digital marketing manager in a move it said strengthens its staff resources in both the technology and marketing areas.

Hoffman brings over ten years of industry marketing experience. Most recently, she served as senior digital marketing specialist at MasterBrand Cabinets, where she spearheaded the company's efforts to create customized tools for its dealers, managed numerous websites, streamlined lead generation and cultivated social media initiatives. Prior to MasterBrand, she held increasingly senior sales and marketing positions with a number of contract furniture manufacturers.

"We are very excited to welcome Brandi Hoffman to the INDEAL team to help develop our digital strategy," commented INDEAL director of marketing Kristi Rubino. "In recent years, we have been fortunate to partner with the industry's most successful technology companies such as MyResourceLibrary, the KITS Collaborator, Configura and Project Matrix. Brandi will play a key role in taking those efforts to the next level as she works with these companies and others to create unique digital solutions for INDEAL members."

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WPF's annual conference brings dealers together

The Hyatt Regency Tamaya Resort & Spa in Albuquerque, New Mexico was the location for the 2018 conference of contract furniture dealer group Workplace Furnishings, which took place last month.

A full learning program included insights from Contract Consulting Group founder Amanda Schneider, ergonomic evangelist Josh Kerst, sales training guru Keri Stewart and workforce innovation specialist Sophie Wade, as well as *INDEPENDENT DEALER* columnist and industry strategy sage Janet Collins.

Also at the meeting, the group elected Hope Roadcap, president of Phillips Workplace Interiors in Middleton, PA, as its new board chair, succeeding current chairman Aaron Eggert of iSpace Environments. Also elected to the WPF board were John Murphy, president of Washington Workplace, and Lorene Haimerl, EVP sales of Loth, Inc.

WPF recognized several members for their outstanding support of the organization at the conference. SideMark, San Jose was honored as Dealer of the Year while GMi Companies, Lebanon, Ohio, was named Manufacturer of the Year.

In addition, the group's marketing consultant, Christy Gallagher of Associates Promotion & Design, received the 2018 Nathan M. Loth Award, WPF's highest honor, and All

Doug Schuring, All Makes Office Equipment, Jim Harter, GMi Companies, Kevin Smiertka, GMi Companies, Karie Daedone-Smith, SideMark, Ashley Blevins, GMi Companies, Aaron Eggert, iSpace Environments

Makes Office Equipment of Omaha, NE received the Kyle William St. Clair Pay It Forward Award, in recognition of their outstanding philanthropic efforts and community involvement by donating $100,000 in office makeovers to four local nonprofits.

"The WPF annual conference is one of the best industry meetings ever," said newly elected chair Roadcap. "It is one of the best investments of time and money we make all year. The ROI is big."

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Dell calls time on printer production

Round Rock, Texas-based computer and monitor manufacturing multinational Dell announced in April that it is to stop making its own-brand printers.

The world's largest shipper of PC monitors plans to start ramping down sales this month and instead "transition our customers from Dell-branded laser printers and accessories to a partner-led imaging portfolio." That transition is due to be complete by the end of July.

The company says it will continue to serve customers who own Dell-branded printers with the latest printing solutions, including firmware updates and Dell-branded consumables, and provide customer support for Dell laser printers under warranty.

The move follows Dell's withdrawal from the printer business in other parts of the world (Europe, Asia and the Middle East) in September 2016, when it also announced that it would exit the sector completely by the end of 2021, the date at which all warranties will expire also.

Showroom combines as New York office space for AIS

Massachusetts based furniture and seating manufacturer AIS recently reopened its renovated New York City showroom in Midtown Manhattan.

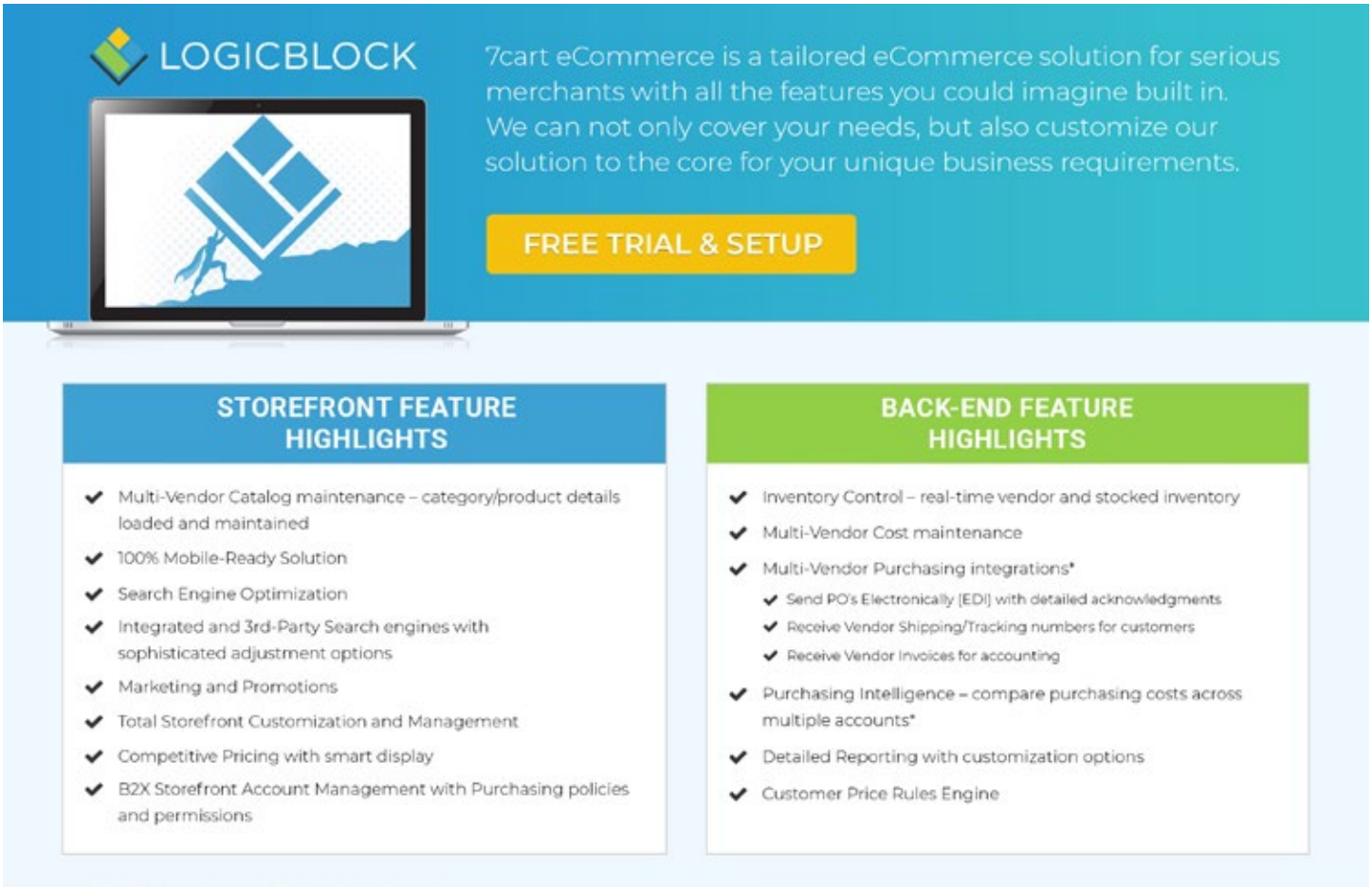
AIS staffers combined with a Boston-based design team at global A&D firm NELSON on the redesign of the 7,334sq. ft. space to reflect the evolving ways people work. It is situated on the third floor of a 20-story building that dates back to1912 and showcases the latest AIS products in a vibrant, open, light-filled environment.

The showroom doubles as an actual workspace for showroom manager Kait Kennedy and AIS's three New York metro-area sales representatives. The showroom serves as a host site for the reps and for dealers across the states of New York, New Jersey and Connecticut. LB Lounge seating and Volker cubes and nesting tables – both recently launched AIS products – provide visitors with comfortable seating and collaborative places to work.

"Being an actual work environment in addition to a showroom, we're able to engage our customers in meaningful conversation about their own space needs and help them to visualize possibilities," Kennedy said.

The AIS product lines in the new showroom also include Aloft, Calibrate Series, Divi, Matrix, and Oxygen. Displayed throughout are height-adjustable executive desks and tables.

AIS also has showrooms in Chicago and Washington, D.C., and at its headquarters in Leominster, Massachusetts.



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AmpliVox adds rack cabinets to multimedia portfolio

Northbrook, Illinois-based manufacturer AmpliVox Sound Systems has released a new range of rack cabinets that combine classic, elegant styling with convenience, mobility and security.

The new cabinets, available in 12U, 21U, and 30U, and laminate or wood veneer finishes, allow computer and control systems to be stored anywhere safely and securely.

The 19-inch standard rack rails allow up to 12U or 21U components (17 inches deep) to be stacked inside, concealed within a traditionally-finished cabinet in a choice of colors. The cabinet includes key-locked front and rear doors for easy access, with a black tinted acrylic panel in the front door as well as unobtrusive ventilation openings.

The cabinet also contains a quiet UL-listed fan to cool components. Inside, units plug into a six-outlet power strip with surge suppressor, connected to a ten-foot external power cord. The entire cabinet can be moved easily on sturdy 3" rolling casters, the front two of which can be locked in place.

The rack cabinets are built to furniture quality standards and available in six different finishes to match any décor. They also coordinate with many of the lecterns in AmpliVox's extensive line of multimedia furniture products.

"These rack cabinets enhance any room with their elegant design," noted AmpliVox CEO Don Roth. "They combine great functionality with appealing style for business, educational, hospitality, house of worship and other professional settings," added Roth.

Back to Square One for Indiana Furniture

Square One is the new space division solution for open plan offices from Jasper, IN-based manufacturer Indiana Furniture.

Individual building blocks connect securely to one another, to provide distinct working areas within a larger office environment, while accessories like dry erase boards, acrylic inserts, and tackable and acoustical panels allow a wide range of options to customize the space.

"Square One easily defines space between workers and creates areas within the open plan to encourage collaboration or allow for focused work and conversations. It installs quickly and can be effortlessly reconfigured as needs change," said Mike Blessinger, VP of Sales & Marketing for Indiana Furniture. "This product epitomizes the warmth and beauty of wood, one of our core competencies, and provides a solution for all audiences and style preferences."

NOPA News

NOPA and Marlette combine to help combat Amazon Business threat

NOPA has teamed with Rick Marlette of OPSoftware to provide NOPA members with an Amazon Pricing Data Feed.

The move comes in the wake of the announcement by Amazon Business that it would be raising its prices on low dollar items to cover the cost of its allegedly "free" shipping and the news that there is no special pricing on the internet giant's contract with U.S. Communities.

Rick Marlette

The contract allows local government agencies, schools and others to buy on the Amazon Business Marketplace but incredibly, since there is no pricing agreement in place, all participating agencies can do is simply buy on Amazon Business at the same price anyone else pays.

The data feed offers independent dealers the opportunity to inform and educate their customers and potential customers as to potential savings that can be made by buying local. It is downloadable from the NOPA website and all the pricing is factored to a primary wholesaler unit of measure with full URLs to the Amazon item.

"The opportunity for our members to inform and educate their customers with the facts has never been greater," said Mike Tucker, president of NOPA. "Our hope going forward is that dealers will use the data to show customers how independents are cheaper on many if not most of these 2,000 top selling items by:

- Posting comparisons on their websites;
- Using the data in their marketing materials;
- Showing timelines of wild price fluctuations;
- Promoting items that look most favorable for dealers;
- Being creative and sharing new ideas and successes with NOPA and other dealers."

To share new ideas or feedback on your efforts, email info@iopfda.org.

DEFEND THE FUTURE
OF THE INDEPENDENT DEALER INDUSTRY
At the 2018 Small Business Advocacy Fly-In

JOIN US THIS YEAR as representatives from the National Office Products Alliance (NOPA) and the Office Furniture Dealers Alliance (OFDA) converge upon the nation's capital to lobby on behalf of the industry's needs. It places members directly across the table from their legislators and forces the lawmakers to hear the concerns of leading business operators in their districts. The event gives us an opportunity to play a role in shaping business friendly solutions.

TUESDAY – WEDNESDAY
May 15 – 16, 2018
WASHINGTON, D.C.

TUESDAY, MAY 15
- Industry attendees will receive a legislative update from Paul Miller, NOPA Director of Small Business Advocacy
- Attendee Dinner

WEDNESDAY, MAY 16
- Capitol Hill visits
- Lunch and Debrief

For registration, hotel, and fly-in information, visit
www.nopanet.org.

NATIONAL OFFICE PRODUCTS ALLIANCE (NOPA)
3601 East Joppa Road, Baltimore, MD 21234 ■ info@iopfda.org ■ 410-931-8100

NOPA
National Office Products Alliance

Generations for HOPE

For more than three decades, City of Hope's National Business Products Industry has raised more than $175 million toward lifesaving cancer and diabetes research at City of Hope.

The 2018 Generations for Hope campaign honoring Rick Toppin of S.P. Richards Co. recognizes the individuals and families that have spanned across generations in the office products industry — people like **Casey and Sharon Avent of Smead Manufacturing Co.**

For 112 years, Smead has been recognized as a pioneer in the industry and leading the way as a woman-owned organization for half a century. Today, they continue to be a vital partner with City of Hope and its mission of finding cures. On their recent Industry Tour of City of Hope, Sharon Avent said,"... you leave with a different perspective of what these doctors and scientists are achieving. They're so close to finding a cure. And it also reinforces the magnitude our industry has on City of Hope."

For more information on the 2018 "Generations for Hope" campaign, visit **CityofHope.org/nbpi**

UPCOMING EVENTS

JULY 12 TO 15
3M Wonewok Escape
Park Rapids, Minnesota
HOSTED BY
3M AND S.P. RICHARDS CO. A Tradition of Trust

JULY 30 TO 31
Honoree Golf Outing
Lake Oconee, Georgia
HOSTED BY
S.P. RICHARDS CO. A Tradition of Trust

SEPTEMBER 4 TO 6
City of Hope Industry Challenge
Pebble Beach, CA

City of Hope Generations for Hope

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NOPA's Voice in the Age of Trump

By Paul Miller

Throughout our lives we experience a lot of changes, but I don't think anyone could have imagined the level of change we've seen since the 2016 presidential election. Those changes have been both good and bad and it is why NOPA's annual fly-in is more important this year than ever before.

Washington (and the country for that matter) is broken up into what I see as four very different groups today. You have the "Never Trumpers"—these are people in whom just the thought of Donald Trump produces delirium and anger and who may have defriended you on social media because you voted for him.

You the have the "Die-Hard Trumpers"—people who drank the Kool-Aid and no matter what the President does, think he's right and Making America Great Again.

Third up, you have the "#I'mConfused group"—people who want to support the President but who are distracted by the circus that surrounds him and the comments he makes. At the end of the day, these guys are exhausted and confused by their love/hate feelings for the President and his office.

Finally, you have the Rollercoaster Crowd—those who support the President's policies and are laser focused on them. They are able to tune out the other distractions: the name-calling, the porn stars and the made-up facts. They are the one group that goes home and sleeps well at night at the moment.

Whether you like President Trump or not, the reality is he has shaken things up in Washington in a big way. No longer do you need to have secured the necessary votes to get issues to the floor for a vote. No longer do you need to slow-walk issues before they get votes.

Today, sometimes simply a Tweet will get Congress focused on an issue. Healthcare is a perfect example of this.

Republicans, including President Trump, campaigned on the "Repeal and Replace" of the Affordable Care Act (ACA) but Congress wasn't prepared for a Trump victory.

What made Congress (and Republicans in particular) uneasy was Trump's constant Twitter storm about how his administration was going to repeal the ACA immediately.

They weren't ready to repeal and replace the ACA—it took President Obama over sixteen months to pass this historic healthcare change with a Democrat controlled House, Senate and White House.

Trump wanted Republicans to overturn it in a matter of days. When push came to shove, President Trump forced a vote within three months of being in the job, and the Republicans lost.

In the old Washington, you might get one bite at a major policy issue like healthcare. In a Trump Administration, we have had three ACA votes thus far, still with no repealing or replacing. This means we are likely to have more votes on the issue until the President finally gets his win. In a typical Washington, this would be unheard of.

I share this with you because it paints a picture of a new Washington, where truly anything is possible. At no other time would you have had three major votes in one year on a single issue as big as the ACA.

For the first time we have a President who is built less on understanding politics and how it is played, and more on winning in business—viewing every issue as a deal to be artfully won. This may be bad from an overall policy perspective but can be very good from a constituent perspective.

This is why NOPA's fly-in and the addition of your voice is so critical to the current process. The old saying "my vote doesn't matter" couldn't be the further from the truth. With so much uncertainty and so much partisan anger, the one thing that does matter is your voice.

Washington has in the past seen protests that were large in scale, but which never really produced lasting change. Today, in the world of Trump, popular and vocal campaigns are gaining traction in very short time.

The #MeToo Movement has forced change in both Congress and the private sector, while the Parkland shootings in Florida has helped herald a new generation of activists who have forced legislative change at both state and federal level.

I will agree with some that coming to Washington to talk to your elected officials can have zero-to-limited impact if you only do it once. But NOPA has been at this for 18 years now and has had success because they treat their advocacy efforts as a year-round program, not a one-and-done type of annual effort.

At NOPA, our efforts are driven from the top down, which is exactly what you need if this type of event is going to be successful.

NOPA has an engaged membership, which is not the norm. I've worked with a lot of organizations like NOPA over my career and I can tell you, NOPA is in a different class from the rest. The NOPA leadership team works as though lobbying is their full-time job. Its members are a tight knit group of professionals willing to do what it takes to bring about positive change for the industry.

So, when I hear from people that fly-ins have limited impact, I say they can, but if done the NOPA way, they can—and do—drive change. Today, NOPA is driving change with their efforts to influence how the proposed federal online marketplace is created and implemented. NOPA took the lead on this issue when no one else was paying attention.

As you know, this is not an easy issue, especially as we are up against a popular, multi-billion dollar company like Amazon.

This doesn't seem like a fair fight, given the mountains of money and army of professional lobbyists Amazon has at its disposal. But what it doesn't have is NOPA's fight. It doesn't have committed members who know first-hand the value of small businesses and commitment to service and community.

This is why NOPA members from all across the country will be in Washington this month, not only serving as the voice of their company, but as the voice of their community.

This is how you battle giants like Amazon, which is spending millions of dollars to create a monopoly in every community and at federal government level—all at the expense of your business, your family, your employees and those in the community who benefit from your work.

If the Trump era has taught us anything, it should be that Washington is no longer a wasteland where issues go to die.

He has changed the way things work, giving a lift to your voice and presenting you with a real opportunity to make the changes you came here to make.

The Amazon battle has just begun, but I can tell you from the conversations and meetings we've had thus far, we are seeing positive movement.

We are seeing members concerned by the impacts this issue is having on their local small businesses, communities and what it could potentially mean to the federal government buying experience.

This is why your voice is needed. This is why we need you to join with NOPA on a small business solution that provides opportunities to all and not just one mega company. That's why our fly-in is so critical.

Let me leave you with this. This battle isn't just about you. It's about our industry, our communities and a level playing field for all. Remember, you're not only speaking for your business, but you're speaking for so many in your industry and community who need a voice.

Join the NOPA grassroots movement to bring real opportunities for independent dealers in a new federal online marketplace solution. We are making real change and with your help and your voice, we can create a new federal marketplace that creates these opportunities for independent dealers.

Paul Miller is director of advocacy and regulatory affairs for NOPA. To learn more about the association and its current plans and programs to help independents combat Amazon and other competitors, call (410) 931-8100 or email info@iopfda.org.

For more details on how to participate in the fly-in, see NOPA's ad on page 28

Many independents see furniture sales as a growth category with legs, ID looks current trends in the market.

By Michael Chazin

A generation ago furniture sales were all about office cubicles and the best way to provide the illusion of privacy for office workers. "Today we work on office environments for the way people work—with open, collaborative spaces," says Tom Vander Vaart, director of furniture sales for Tallgrass Business Resources in Coralville, Iowa.

That reflects the experience of the young people coming out of school today, says Vander Vaart. They grew up with open environments. "That is how they learned and that is how they expect their workspaces to be," he says. "When they come out of school and you put them in cubicles, they're not going to last very long," he contends.

Vander Vaart points to two key trends that are fairly prevalent in recent projects. "Number One: Creating an environment that's open, collaborative and productive without wasting space and Number Two: Everybody wants a sit/stand desk."

Steve Klaver, chief operating officer at DBI in Lansing, Michigan, tells a similar story about his customers. "Ergonomics is so hot right now," Klaver says. "Sit-to-stand desks, active seating, monitor arms, keyboard drawers are all hot commodities."

Jonathan Ball, president of Tri-City Office Products, Richmond, Virginia, refers to a recent law office furniture project where every single desk was height-adjustable with electric lifts. That was the one element they insisted on, he says. Everything else was open to interpretation by the dealership. The client didn't even bother asking employees if they wanted a height-adjustable desk. "The law firm just told us 'We're not asking, we're putting height adjustable in every single office—partner, associate and support staff,'" says Ball.

Besides a greater emphasis on ergonomics, Ball sees other changes in furniture buying habits. He sees a move away from solid wood furniture. "The owner doesn't need to sit behind a wooden desk that is better than everybody else's," he says. Instead, people are more concerned about price, value and productivity.

Beyond Wholesale Furniture

Bernie Garvey and his team at Garvey's Office Products in Niles, Illinois, just outside Chicago, are committed to continued growth of the furniture category. After adding a 4,000 square foot showroom six years ago the dealership added a furniture specialist, Teri Carlson, to drive growth.

"Our offering extends far beyond the product that can be found in the wholesale catalog," says Carlson. "Our solution is to provide on-site space measurement and design services, followed by product recommendations. Garvey's has successfully tackled large projects incorporating hundreds of workstations and offices, but its sweet spot is selling to small to medium-sized businesses.

"We find we excel in situations where an organization is moving or expanding and needs a comprehensive solution which may include multiple workstations, executive offices and conference rooms, along with lobby and employee breakroom options.

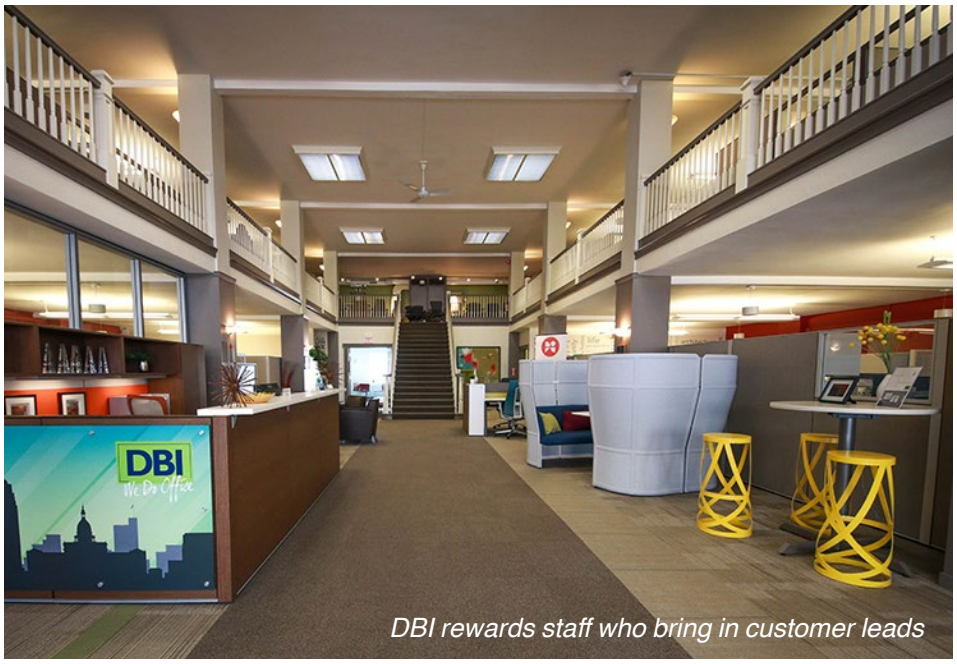
Carlson says that when working on smaller projects, customers tell her how much they appreciate her coming out to take measurements and manage the project, in contrast to other dealers who often ask customers to take their own measurements. "It provides a more personal touch and I would say that 70 percent of the time that additional service has helped win the project," she says.

Where to Find Sales

Keller Office Supply & Printing, Martinsville, Indiana, has seen furniture sales grow to become about 30 percent of total sales. "We are trying to focus more on furniture because it is getting more challenging on the supply side," says Chip Keller, president. Keller sells more furniture these days to local hospitals, schools and government offices.

Keller's lead furniture salesman has been with him for 20 years. He is a full-time firefighter and works a 24-hour shift and then is off two days when he works for Keller. "He stays in contact with customers, follows up and makes sure the furniture is installed correctly," says Keller. "He makes sure any problems are resolved quickly and efficiently." Morgan County, where Keller is located, is a rural community and the fire department isn't usually

Garvey's Tricoci University



DBI rewards staff who bring in customer leads

busy. "If it's nothing too critical customers can wait a day to speak with him. A lot of them have his cell number and just call him directly."

Office Specialists, Galesburg, Illinois, has started to target nearby markets to grow furniture sales, reports Steve Gerstenberger, co-owner. The dealership had reached out beyond Galesburg before via word of mouth, but business was not quite as steady and the opportunities not as broad as forecast. "We're planning to actively market to this area and hopefully increase the opportunity," he says.

DBI maintains a 15,000 square foot working showroom and two warehousing locations in its market. Used furniture that DBI takes in on projects, as well as scratched and slightly worn furniture, is sold at The Office Outlet, which operates as a division of DBI in downtown Lansing.

To assist customers, both existing and potential, in understanding DBI's capabilities, their marketing team created a video that exposes customers to the full range of products and services the dealership offers, including furniture, design services, office products, breakroom and janitorial supplies. Depending on the client they can view the whole 22-minute program or just see those portions that meet current needs.

"Anyone on our staff who brings in a customer to see our capabilities presentation gets a $50 bill," says Scott Nye, office furniture sales manager at DBI. "We average three to four capabilities presentations a week and probably have an 80 to 90 percent success rate when it comes to turning that capabilities viewer into a customer."

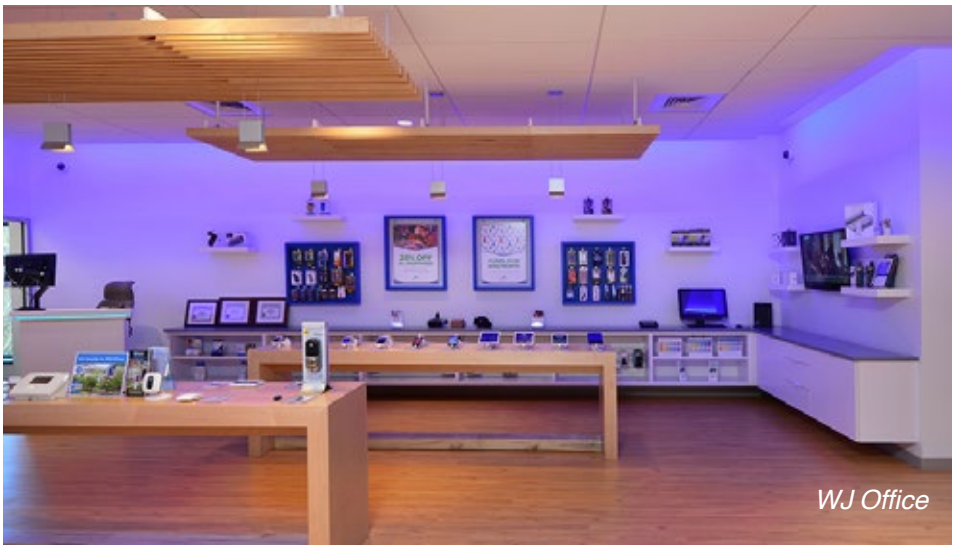
Anything Furniture

At WJ Office in Boone, North Carolina, furniture sales amount to roughly 45 percent of the total business. The dealership has established itself as a source for anything furniture, says Nate Chaney, vice president for furniture sales. With some furniture sources signing up as many dealers as possible, Chaney says the market is like the Wild West—everybody sells everything and there is little customer loyalty.

Chaney has found that a good portion of furniture sales comes from working with interior design firms who often just need to know how much the furniture is going to cost. "We put a premium on getting quotes and drawings back to clients quickly," says Chaney. "We are not a design firm so we are not going after their design clients."

He sees some nationally aligned dealers compete for the design business. "We take the exact opposite approach," says Chaney. "We go in and tell designers we are here to tell them how much it will cost and that we will handle procurement and logistics." Chaney has his office in Winston-Salem where there is a large concentration of design firms. "There are probably 50 here in Winston and they cover a lot of the work being done in the Southeast," he says.

The majority of Tri-City's furniture jobs are with existing furniture clients or customers from the supply side of the business. Sales at Tri-City are split fairly evenly between supplies and furniture. "We deal a lot more with clients who already buy from us, who


WJ Office

have hopefully heard that we do a good job with furniture," says Ball.

Ball insists that it is vital to pay attention to a client's wishes from the outset, in order to get a clear grasp of their vision. "It is not enough to hand them a catalog or tell them to visit a website to see what they like," says Ball. "You have to listen to the customer and get a feel for their budget, based on what you know about them."

Working with Customers

The most successful furniture projects start with discovery exercises with customers to learn more about what they want to accomplish. "We address the space and let them know we can do the entire interior including flooring, window treatments and other interior finishes," says Vander Vaart. "We can help them form creative ideas that serve as an art piece and tell the company's story through a branded environment."

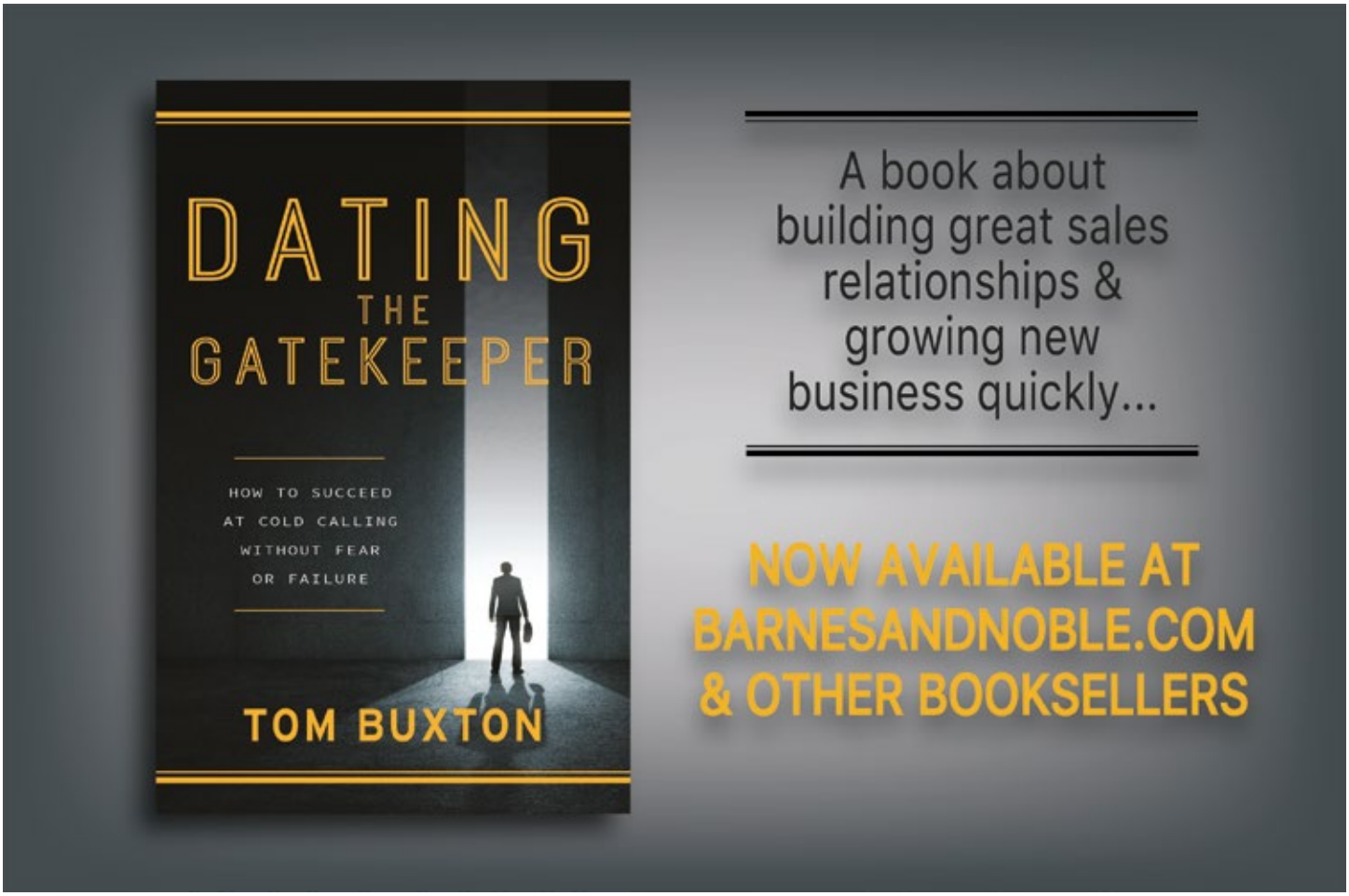
Tallgrass holds initial meetings to demonstrate to prospective clients that the firm can help them achieve their interior goals whatever they may be. "It's a space they're going to be proud to have and their employees will benefit from working in," explains Vander Vaart. "We don't just sell furniture. We want to be their partner, so we sell the partnership."

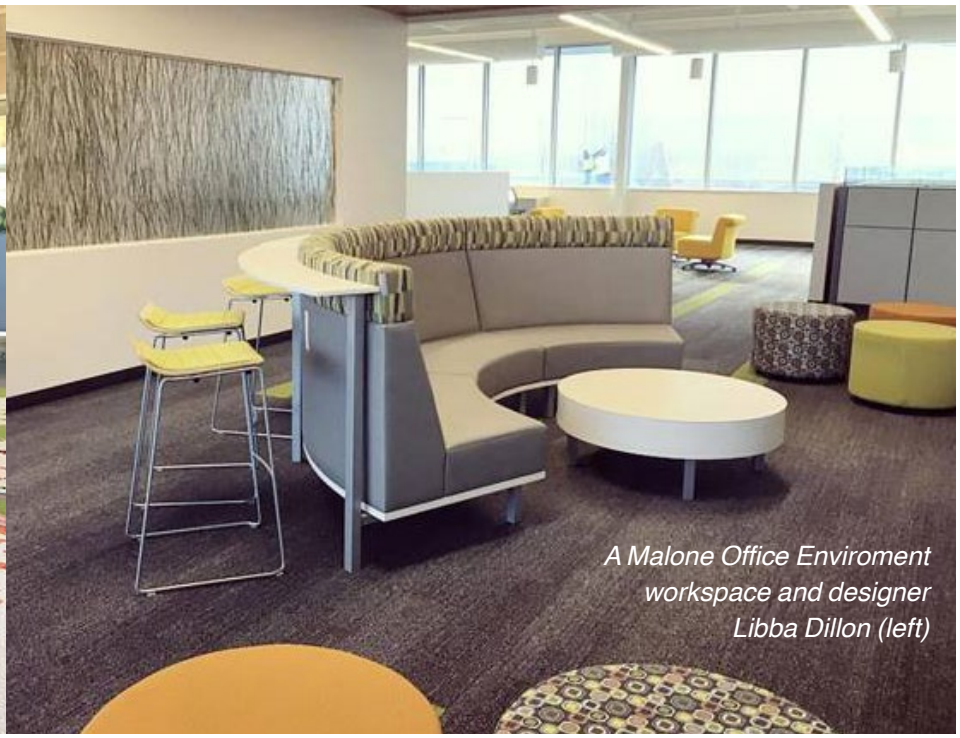
"We try to be more situation-oriented than product-oriented," says Nye. The process starts with a deep dive with the client to uncover whatever problems or challenges might exist. "We try to help them with their issues instead of just trying to sell them product," he says.

Garvey's sales team conducts quarterly furniture sales blitzes to uncover new opportunities. The blitzes require the sales team to make a prescribed number of calls in a one-day period. "They go out with me, my sales manager or a manufacturer's representative to present new programs as well as to review current programs," says Carlson. "It's an opportunity for us to remind our customers that we offer free space planning, design and installation services,whatever the size of the project may be."

Additionally, Garvey's offers a "try before you buy" sample chair program that provides customers with the opportunity to try several chair design options before they commit to purchasing one. A customer in need of a new chair first has to establish a price point and then think about how the chair will be used during the work day. "We'll send over a couple of chairs for their employees to sit in and try out," says Carlson. "Many times this leads to larger chair orders," says Carlson.

WJ Office features a freestanding showroom at its Boone office combined with a working showroom.





A Malone Office Enviroment workspace and designer Libba Dillon (left)

"There is lot of ergonomics on display because that's what people really want to put their hands on," says Chaney. They can look at a desk in a catalog but need to feel how ergonomic features work. "Especially when it comes to chairs," he says. "People need to sit in chairs; it's the only place where they spend more time than in their beds," he says.

At Tri-City there is not a big need for a showroom and if product needs to be seen before a purchase, Ball will often use showrooms that his manufacturers operate in Washington, D.C. "We can use those but we sell a lot of chairs and desks, and most people don't need to see the desk in operation," he says. Chair demos are available and customers can take a chair out for a week and give it a try. Two or three different panel systems are also on display in a working showroom.

First on Google!

Malone Office Environments, Columbus, Georgia, has sold supplies and furniture since the business opened in 1934, but there has always been an emphasis on furniture. Ten years ago, Sam Buracker, owner and president, brought in a manager to run the supplies business so he could concentrate fully on furniture sales, which today account for close to 60 percent of the business.

Buracker says he tries to target larger businesses that buy furniture every month; those tend to be hospitals and national companies located in his market. The dealership has become well known as a source for office furniture. "If they 'Google' 'office furniture Columbus, Georgia,' we're the first one to come up," says Buracker.

To gain more attention in the Central Michigan market, DBI launched a new website a year ago after putting in close to a year's worth of development effort. Klaver contends there's a difference between an office supply company that sells furniture and a contract furniture dealer. "A lot of dealers call themselves furniture dealers but they sell primarily wholesale, mid-market" he says. "Our site looks less like the transactional site of an office supply company and more like a contract furniture site."

The new website features several profiles which highlight photos of projects completed by DBI along with customer testimonials. "People can go online and see our projects, see how customers have interacted with us and what they have to say about us," says Klaver.

Who Is the Competition?

Malone Office Environment is the only contract furniture dealer located in Columbus. "We're the only dealership in this market that has design capabilities, so our competition comes out of Atlanta," says Buracker. "We're local and can respond more quickly."

Competition for furniture sales at Malone's comes from contract dealers based in Atlanta who have offices in Columbus. Supply dealers who sell furniture tend to have different competition. "Their competition is the business furniture catalog that comes in the mail and people ordering from the internet," says Buracker. "That is our competition for supply sales and copier sales but not as much for furniture sales."

Competition varies depending on the size of the project, explains Keller. For less expensive products and projects, the competition is definitely the internet, he suggests and says he has seen

even big companies choose the internet when they needed something in a hurry. "The design firms in town are generally going to pick the Steelcase, Haworth or Herman Miller dealer. "We deal a lot more with existing clients in other categories, and when they need furniture they come to us because we have done a good job of letting them know we also sell furniture."

Gerstenberger says that when it comes to furniture projects the biggest competition tends to be other independent dealers. "Outside of that, hardly a day goes by when somebody doesn't bring us something they saw on Amazon to ask if we can match the price," he says. However, those requests generally are only for small orders of furniture.

The competitive pressure for furniture projects is intense at Tallgrass. "There are many furniture dealers here in Cedar Rapids with every major manufacturer represented," says Vander Vaart. There is no margin for error, he says. "This is a very progressive town and we have a lot of amazing spaces here. When you talk about the competition to attract and retain people you had better have a nice space, because if you don't the guy down the street sure does," says Vander Vaart.

A Different Buyer

Virtually every furniture dealer agrees that at least some of the time, the person making the purchasing decision on furniture isn't the same person who buys office supplies. "With office supplies, a lot of the time it is a purchasing manager or office manager," says Klaver. "Depending on the organization, furniture normally goes through a facilities person, somebody in real estate or as far up as the CEO."

It often depends on the size of the organization making the purchase. The customer could be a small business looking for a couple of furniture items which is treated more or less like a supplies customer, says Gerstenberger. Or it could be large facility, perhaps a college with a maintenance director or facilities manager. "It is probably easier working with these people because they understand facilities better," says Gerstenberger. "They understand what needs to be done when you locate data lines and power for systems furniture. They understand lighting needs, ventilation and all those aspects of a project."

Besides expanding into other markets, Office Specialists has expanded its service offering to grow its furniture business. The dealership now works on office renovations that can involve removing walls, painting, flooring, window treatments and artwork in addition to the furniture itself. "Depending on the scope we involve an architect or interior designer and contract out some services," says Gerstenberger.

Recently, the dealership worked with a law firm which had relocated within Galesburg. Office Specialists worked closely with the client as project manager to make sure the transition was completed successfully. "Our IT department took care of their server and cloud services," says Gerstenberger. "They moved all the equipment and cabled the building to locate data lines properly." The OSI furniture team dismantled their existing system furniture, moved the product and reconfigured the furniture into the new space.

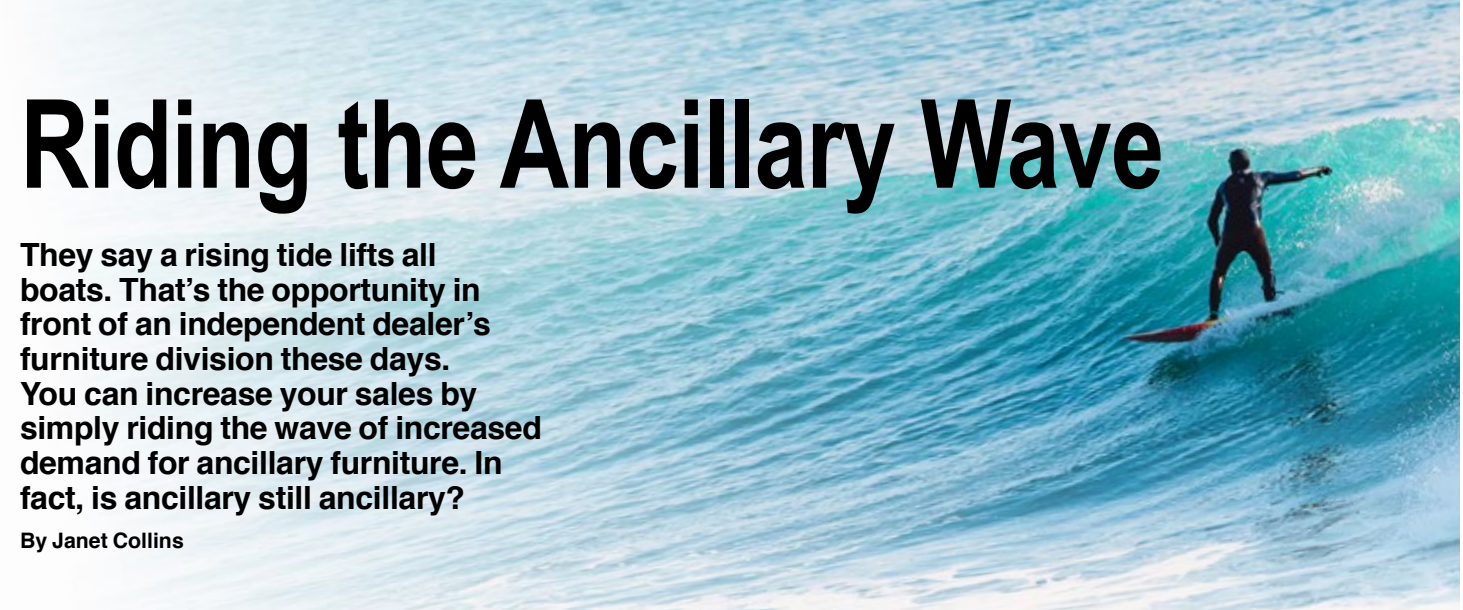
WJ Office has started to offer a range of services related to furniture sales. "We have done everything from move management to reconfigurations," says Chaney. "It's just a matter of finding the solution that works for the client." Millwork and cabinetry is the latest offering, and the firm has partnered with several local cabinet shops to provide these capabilities, especially for medical offices. "The skills required to install furniture are not that different to those needed to install cabinets," he adds.

Being independent guides the capabilities and expertise that WJ makes available for customers. "It is really about finding a solution that works for the client," says Chaney. "As an independent we are going to provide the client with what they need, not what some manufacturer tells us to sell them."

Michael Chazin is a freelance writer specializing in business topics, who has written about office products for more than 15 years. He can be reached at mchazin503@comcast.net.

Tallgrass: progessive spaces

Riding the Ancillary Wave



They say a rising tide lifts all boats. That's the opportunity in front of an independent dealer's furniture division these days. You can increase your sales by simply riding the wave of increased demand for ancillary furniture. In fact, is ancillary still ancillary?

By Janet Collins

Not too long ago, 80 percent of a furniture project was systems furniture, mostly from an aligned manufacturer like Steelcase or Herman Miller. Only 20 percent was considered ancillary. In other words, ancillary was "everything else". Now, with the emergence of collaborative spaces, larger breakrooms and cafes, lounge areas and open offices, close to 50 percent of the floor plate is non-systems furniture. Suddenly, the "other stuff" is becoming mainstream.

Designers and traditional contract furniture dealers are struggling to keep up. Having to specify many more brands and different types of furniture, including some residential lines, is dramatically increasing workload (and testing patience). Whole product categories are being dropped from projects just to stay focused on getting the majority of the floor plan complete.

Independent office products dealers have a tremendous opportunity to get in on some of the action. Here are five ideas to try:

1. Stay in tune with large projects in your area

While your bread and butter might be working with smaller build-outs or transactional furniture requests, poking your nose into some of the bigger projects in your area may well yield results. Stay close and offer consultative suggestions. You may find pockets of budget disconnected from the larger project.

2. Be proactive about Day Two

Even if you didn't get the furniture contract, there are bound to be missing pieces after move-in day. Befriend the facilities manager. She's the one who will be called when someone's missing a whiteboard, trashcan, task light or coat hook. Let her know you can supply these things in a more efficient way than Amazon. Someone is going to sell these items. It might as well be you!

3. Consider hiring an ancillary specialist

This is the trendy new position many contract furniture dealers have added to keep up with all brands and options. In some cases, the traditional librarian role has been replaced with the ancillary specialist, an internal go-to resource for knowing where to find products and solutions for these new spaces. The ancillary specialist will also relieve the pressure on your sales and design teams to know all the options.

4. Separate the hunters from the farmers

Many of your furniture sales reps are likely to be consumed with project management and providing excellent support for established accounts. In sales lingo, you have excellent farmers. There's no time for hunting new business. It's also hard work and, generally, requires different skills.

Yet dealers who have hired dedicated resources for opening new accounts are reaping the rewards. Leverage ancillary products to open the door, even if's only for a small piece of a larger project. Once in the account, you can demonstrate your personalized service, reliability, knowledge and problem-solving skills.

5. Use resources from your manufacturer partners

Independent dealers are under-utilizing the resources available. Generally, suppliers and manufacturer reps are eager to help you close business, provide speedy quotes and brainstorm solutions. Many are even getting into helping with design and specifying. Look for partners willing to protect the dealer who originated the business. Then, bring them in early to get the best benefit.

The growth of ancillary furniture offers a perfect opportunity for you to leverage your product knowledge, personal relationships, proven service and knowledge of your customer. So, grab your surf board and ride the wave!

Janet Collins is a strategy consultant for the industry, helping leadership teams get unstuck and get moving with clarity and alignment. Contact Janet at 513-404-2809 or by email at jcollins@tpstrategy.com.

NeoCon®

June 11–13, 2018
theMART, Chicago
#NeoCon50

If you're in the office furniture business in any serious way at all, chances are you'll be heading to Chicago next month for NeoCon, the annual gathering of the office furniture clans. Held every June at The Chicago Merchandise Mart since 1969, NeoCon serves as the commercial design industry's launch pad for innovation—offering ideas and introductions that shape the built environment today and into the future.

This year's 50th offering will see around 50,000 industry professionals visiting the Windy City to check on the wares of 500 exhibitors featuring the best and brightest in products for corporate, hospitality, healthcare, retail, government, institutional and residential interiors. As usual, this year's event offers several workshops and presentations specifically for dealer attendees and they are highlighted below:

Monday, June 11
11:00 AM - 12:00 PM
CULTURAL EVOLUTION: CHOICE AND BEYOND
Amy Manley, IIDA, national director, workplace strategies, Jacobs, Philadelphia, PA
James Kerrigan, IIDA, national design principal, interiors, Jacobs, Dallas, TX
Randall Whinnery, III, AIA, vice president, design, Fidelity Real Estate Company, Boston, MA
Workspace design has migrated from universal, one size fits all to variety and choice, but is that enough? As we explore new ways of working are strategies actually recognizing that people are individuals? How can a collaborative work environment still celebrate the unique, authentic personal brand for a personalized user experience? Join us as we reimagine how organizations today are moving beyond the notion of choice to creating fulfilling places for people interface,

connection and individual expression. Learn how organizations are striving to understand "personas" not simply work profiles to create work environments that are ultimately responsive to business, cultural and worker needs.

MAKERSPACES: FROM ELEMENTARY SCHOOLS TO WORKPLACE ENVIRONMENTS

Gwen Morgan, IIDA, LEED AP ID+C, associate senior interior designer, Stantec, Plano, TX
Gretchen Diesel, IIDA, LEED AP, senior interior designer, Stantec, Houston, TX
Allison Schneider, IIDA, LEED AP ID+C, senior interior designer, Stantec, Austin, TX

Once found primarily in schools of engineering, makerspaces are now a growing trend in all levels of educational facilities, including corporate campuses as well as public access environments. This seminar zeros in on the important ways that makerspaces provide tools and materials, mentors and sponsors. In doing so, they foster cross-pollination of disciplines, promoting higher engagement with teams and encouraging the skills and abilities required for success, such as ideation, collaboration, and exploration. Highlighting a variety of makerspaces across the country, our speakers will reveal current trends, share the benefits to users and demonstrate successful design strategies for these creative community spaces. At the end of the presentation, attendees will be able to participate in an analysis of the cross pollination of disciplines that takes place in makerspaces.

1:00 PM - 2:00 PM

INTERIOR INTEGRATORS 2025: THE FUTURE OF THE DEALER

David Solomon, founder and managing principal, Solomon Coyle, Alexandria, VA
Paul Holland, principal consultant, Solomon Coyle, Alexandria, VA

In this presentation, we'll address a pressing issue for the future of the dealer, as well as client expectations in the project delivery system. Innovative designers have the chance to position themselves as both trusted consultant and strategic partner for their clients. Attendees at this seminar will learn how new procurement models work, how the dealer fits into the project team and finally, how dealers can transition from being viewed as a vendor to taking a more active role. Attendees will also hear crucial discussions of client expectations, project team roles and expectations, as well as the ways all team members can leverage dealer expertise.

2:30 PM - 3:30 PM

HIGH PERFORMANCE: LEADING THE DEALER SALES ORGANIZATION

Paul Holland, principal, Solomon Coyle, Alexandria, VA

Regardless of an improving economy, the environment for dealers has grown more competitive. Customers have shifted how and when they buy. Influencers are ever-present, dictating terms of engagement. Complexity is ramping up at a frenetic pace. Achieving incremental gains in revenue and profit means aggressively taking market share from the competition. The significant difference between average and high-performing sales teams derives from high-performing sales leadership and sales management. In this session, we explore the critical aspects of leading sales teams and how to know when leadership is lacking in your organization.

4:00 PM - 5:00 PM

A QUIVER OF STRATEGY TOOLS

Dean Strombom, AIA, principal, Gensler, Houston, TX
Sven Govaars, MCR, SLCR, principal, Steelcase, ARC, San Francisco, CA

Only one in four U.S. workers considers their workplaces – across industries and sectors – to be optimal. Establishing a clear design strategy

(instead of basis of design) is critical to the success of any project, but unfortunately designers can be ill-equipped to listen, discover and synthesize their clients vision. In this seminar, we'll demonstrate how designers can fully load their quivers. Specifically, we'll review tools used in SMART Workshops. These tools are crafted to rapidly surface, evaluate and implement initiatives, leading to effective results.

Tuesday, June 12
1:00 PM - 2:00 PM
STANDARDS, ENGAGEMENT AND TRENDS IN COMMERCIAL INTERIORS, AND WHY PRODUCTS MATTER
Jennifer Wammack, director of outreach, BIFMA, Grand Rapids, MI
This seminar offers a review of the value of standards for commercial furniture and how materials can affect employee engagement. It is intended to familiarize the A&D community, facility managers, commercial building owners, end users, dealers, and manufacturers with the issues associated with why standards matter and why employee engagement can be affected by quality materials and how it applies to their everyday need to specify sustainable products. We will identify specific standards that apply to safety and performance and the implications of what a lack of standards can mean to products. We will discuss the changing physiology of our populations and how employee engagement is affected by materials and design.

Wednesday, June 13
9:30 AM - 10:30 AM
EMPOWERING YOUR TEAM
Steve Hillis, senior vice president and senior consultant, FMI Management Consulting, Canton, GA
This presentation will focus on how an organization can transition from a bureaucracy to an empowered team. With the influx of millennials entering the work force, it's becoming more important than ever that business leaders learn how to motivate their teams in different ways. Developing the appropriate leadership style is critical to reducing employee turn-over and to having a high performing team. During the course of the seminar, you'll about your current leadership style and how to modify your behavior to build stronger team relationships. You'll also learn how to transition your organization from one of rules and bureaucracy to a more open and empowered team, and in doing so, lead by example, with a servant leadership style.

HIGH IMPACT PROPOSALS
Frank Stasiowski, president and CEO, PSMJ Resources, Newton, MA
Discover how to take your current proposals to the next level to bring home the win every time. Find out what separates a good proposal from a great proposal; how to win over potential clients with the key elements of your proposals; how to make a lasting impression about your firm in the RFP (without going over the top); and how to position yourself to win the project ... even before the RFP has been issued.

By Calvin Johnson

There's More Than Just Low-Hanging Fruit in the Breakroom

If you're an office products dealer, a major market shift is brewing and depending on how you respond, you could either find yourself riding the wave of an exciting new growth opportunity or struggling to withstand—and maybe even survive—a tsunami of change. I'm talking about what's happening in the breakroom/coffee category and its implications for the Independent Dealer Channel.

My hope is that none of this will come as news to most readers, but even if you're already in the coffee business, consider this:

- Jeff Bobroff, VP of merchandising, jan/san and food service at Essendant, estimates that office coffee services represents a $4.5 billion market in the U.S. and is growing.

- NPD Group office supplies analyst Leen Nsouli reports rising sales of coffee, beverage cups, plates, bowls and cutlery to businesses of all types and sizes—small, medium and large.

- Bill Marsh, sales director, office channel, at Reckitt Benckiser (RB), says office dealers can grow their breakroom business by playing to their existing strengths. "Once a user experiences the value that a good dealer can provide, there's no going back," he says.

For years, OP dealers have sold breakroom-related products but all too often, it's been almost by accident, as coffee, cream, sugar, stirrers and many other items became available through wholesalers who were also looking to increase sales.

To fully embrace the opportunity, OP dealers need to go beyond what is basically the low hanging fruit in the breakroom and take on a broad selection of additional beverage, food, snacks and grocery items, including perishable products like dairy, breads and, indeed, fruit.

Also, dealers need to consider providing a complete equipment product line to the consumer, along with a service department for equipment repair.

At Lykki, breakroom has always has been an important part of our business but these days, it's really strong. One key reason for that is our fundamental vision for the company. First and foremost, we want to work with clients on the basis of a single-source philosophy and help them with vendor consolidation wherever possible.

That approach has taken us into several new categories under the breakroom umbrella that we feel offer outstanding potential for all independents.

Bean-to-cup coffee machines are an increasingly important source of new sales for our dealership. Up until recently, we had stayed out of that business. The equipment was expensive and they were always breaking down. Not any more. The technology has changed, the machines are a lot more bulletproof and today, we are placing at least a couple of units a month, sometimes even more.

Also new for us are fruit and groceries. We like the way the category supports our single-source model and we also like the margins, which can sometimes be as much as several hundred percent!

Admittedly, there are reasons for margins on that scale—it's a category that also comes with special handling requirements, recall threats and spoilage issues. But none of that has stopped us and it shouldn't stop other dealers, either.

There are two basic approaches to getting into grocery. If you're doing nothing or next to nothing in the category, there is definitely room for growth with what's currently available from your wholesaler.

To take it to the next level, however, requires a full commitment. That means getting items like milk, fruit and bread delivered every day and allocating part of your warehouse to special storage for perishable items. Why would you do that?

At Lykki, we've been posting 100 percent growth in fruit every year for the past three years. It started slowly and has grown steadily. Most of the fruit we sell today comes from standing orders where we are delivering 200 apples and/or oranges, for example, every Monday. We call our fruit customers every Friday just to check on what else they might need and, most of the time, we are able to add office supplies, toner, paper towels and more to the order.

We find customers get excited about new food products in a way that they don't about office supplies. It's a category that offers the opportunity to differentiate ourselves and develop a degree of loyalty that we haven't been able to do with office supplies alone. And our sales team really likes the opportunity to take on more new products and add more sales opportunities to their offering.

Today, we get most of our fruit from local wholesalers. Minimums are not high and you can get a good sense of where pricing needs to be by monitoring other B2B fruit services in your market.

Our customers love the idea of getting their copy paper, toner and bananas all delivered at the same time—particularly when you point out you can beat anyone else's prices because your truck is coming with their paper and toner anyway and it doesn't cost any more to add their fruit order!

Categories like bean-to-cup coffee or fruit and other produce might sound daunting, but there are few more effective avenues for creating the kind of sticky customers that we all want.

So, if you have a decent-sized dealership, with a strong management structure and solid operations, maybe it's time to do some serious thinking and research into the opportunities.

If there's one thing we've learned at our own dealership in the past few years, it's that these categories hold the potential for major new revenue streams and big margins and if you're willing to make the commitment and dedicate the time and energy that's needed, there's no reason why they can't soon be coming your way too.

Calvin Johnson is chief energizing officer at Lykki.com (formerly Lykki Office Supplies) in Coquitlam, British Columbia, Canada.

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Time to Recalibrate?

By Krista Moore

Now, more than ever, independents need to take another look at their company mission and vision, as it is these two elements that form the foundations of sustainable success. When significant events or changes take place, business owners will sometimes go straight to the strategy or specific goals that need to be met. They often don't realize the importance of bringing the mission and vison into the process to determine if may need to be tweaked.

Without direction or a clear path, how can you align strategy and tactics? How can you expect others to follow you if they're confused and unclear on what the true mission is or unsure of how the future looks for the company and themselves? Without a clear mission and vision that everyone believes in, it is difficult to have passion for the business.

Mission and Vision

Your mission statement should be short, memorable and communicate what the company stands for in just a few words. It should reflect your organization's passion and encompass the needs of both the company and its customers. Often, the mission statement is an integral part of your branding strategy and should ultimately serve as a guide for current and future decision making.

Begin to craft your mission statement by asking the following questions:

- Why does your business exist?
- What benefits or value do you bring to your customers?
- How do your products or services differ from your competition?
- What wants, needs, desires, pain or problems do your products and services address?

After the mission statement is complete, it's time to think about the vision statement. This, more than the mission statement, propels the company toward its future goal and sharpens the business focus. Start by asking the following questions:

- How are you going to get where you're going?
- What does the end result look like?

Communicate with Clarity

Communicating and sharing your vision with everyone in your company enhances employee morale, as they gain a clearer understanding of the company's direction and, most importantly, their particular role in pursuit of the organization's success.

Ensure everyone is clear and that there are no misunderstandings. Hold an "all-hands" meeting to launch the mission and vision, to ensure the message is communicated the same way to all employees. Post it on your website, make banners to display it throughout the office and place it on the front of your building.

Coach your staff to identify with, and own, the mission and vision. Your employees are the company and its growth depends on their commitment. Lead your teams in brainstorming sessions on what they or their department can do to impact business results and transfer these ideas into individual actions.

Inspire customers and employees to believe in and identify with the mission and vision. Avoid broad declarations like, "We will be the best in the world." Your statements must be honest, realistic and comprised of obtainable goals.

This may seem like a daunting task, but consider the many methods for writing mission and vision statements. You can choose to invest in outside consultants and spend days or weeks crafting the statement, or spend some time brainstorming with employees and thought leaders within your own company. There's also nothing wrong with doing it solo and then receiving feedback from others that you respect and admire. Regardless of the method that you choose, the most important thing is that it gets done.

Krista Moore is president of K.Coaching, Inc. and author of Your 10-Year-Old Self. She is also founder of IDGrowth Solutions and creator of the IDGrowth Sales Vault, a learning management system utilized by hundreds of independent dealers to enhance their sales strategies, training and leadership development. For more information, visit the IDGrowth web site at www.idgrowth.com.

The Essendant 2018 Future of Janitorial Sanitation Distribution Report

By: Michael Hauck, VP of marketing and digital at Essendant

The wholesale and distribution space is in the midst of massive disruption. The entrance of consumer retail behemoths has elevated business-buyer expectations for B2C online experiences, putting pressure on dealers to invest in their e-commerce capabilities.

This seismic shift has been felt by all independent dealers in the office supplies space. At Essendant, we're committed to understanding your pressure points and helping you to navigate these unchartered waters.

To take a closer look at how wholesale distribution is evolving, we're launching a series of data reports that take a closer look at how the digital shift is transforming the JanSan and OP markets, and how independent dealers, resellers and wholesalers can adapt accordingly.

To begin, Essendant surveyed 114 JanSan distributors (manager level and above) about their pain points, investments and plans for digital marketing and e-commerce strategies. We hope the key findings from the 2018 Future of Janitorial Sanitation Distribution Report summarized below allow you to reflect on the changes you're seeing in your OP channel specifically, and what your dealership is doing to adapt.

The JanSan Customer Experience Requires a Balance of Traditional and Digital Tactics

In a traditional industry, a digital offering is transforming how JanSan distributors do business today. However, the study shows that many are lagging behind in the shift to digital—28 percent of distributors have a website but don't sell or list products online, while 11 percent don't have a website at all. While it's important to maintain the human element in the JanSan sales process, it's critical for distributors to build a digital brand and storefront to keep up with competition and buyer expectations. Challenges and opportunities for this include:

- Distributors that do have e-commerce capabilities aren't using them to their full potential. Of the 53 percent of distributors that have an e-commerce channel, three in five (59 percent) say their online presence is "excellent." However, another 73 percent report less than half their revenue comes from e-commerce, indicating there's still room for improvement.

- Distributors find success by blending online and offline marketing channels. Distributors note social media is the most effective tactic for driving sales (54 percent), followed by word-of-mouth at 47 percent and email marketing at 37 percent.

- Relationship building is still an important part of JanSan sales strategies. The majority of distributors (76 percent) say they foster customer loyalty by building relationships.

- Digital integration is a priority in future plans. Top business priorities include boosting brand awareness (37 percent) and investing in digital for the customer experience and supply chains (29 percent), highlighting a more competitive reseller market.

For more insights into the state of the JanSan industry, download the report here.

Michael Hauck is VP of marketing and digital at Essendant.

The Most Powerful Information You Can Possess

By Troy Harrison

More than two decades ago, I learned a lesson that has stuck with me ever since and that I've taught countless salespeople—all of whom have used it to good effect. It's about the most valuable information you can possess. Of course, I tell everyone that the most valuable information is information about their customers—but some pieces of information are more valuable than others.

In the situation I'm recalling, I was dealing with a repeat customer on a fairly large purchase of electric motors. This customer and I had done business a few times and I knew that anytime he was buying more than about $5,000 of stuff, he liked to let it percolate for a couple of days, and then he'd buy.

The problem was that my sales manager was trying to cram numbers to finish the month and if I let the customer wait, the month would end.

"Hey," my SM said, "don't you want to finish strong? Just apply a little salesmanship to this guy!"

I responded, "Look, I know him. He's gonna buy but if we try to pressure him, it'll irritate him. I'd rather not upset a good customer."

My SM snorted in disgust and then, unbeknownst to me, called my customer and offered him a "buy now" discount.

My customer called me and wanted to know who the "jerk" was that was pressuring him. I was caught unawares, and long story short, my customer ended up buying from my competitor and it took me a few months to get back into his good graces. When I did, he bought the same exact way as before.

I learned two things from that incident:

1. The most important thing you can know about a customer is how that customer prefers to buy.
2. Once you know that, the most important thing you can do is to respect how that customer prefers to buy.

This goes against all the old tropes of selling: "Persistence pays off," "closed mouths don't get fed," etc. But there's a reason those are old tropes. Respecting your customer and how they want to do things is key to a relationship.

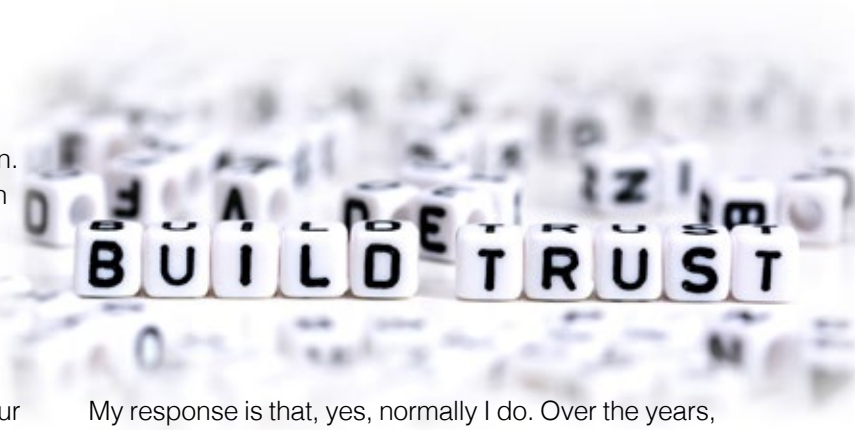
"But Troy," the old-time salesperson says, "buyers are liars. What if they're just stalling you to get a better deal from your competitor?"

My up-to-date response is this: Ultimately, the buyer buys from who they want to. If they're just stalling me to get a better deal elsewhere, then I haven't sold my value well enough.

Let's look at the most basic buying process:

The buying process starts with MOTIVATION. This is the step in which someone recognizes a need that could be filled by making a purchase. They could be motivated by something happening under their control (internal motivator), such as a machine breaking, or they could be motivated externally—perhaps through an advertising message or a cold call. At that moment, they become a potential BUYER.

The next step is INVESTIGATION. That's where the buyer's needs and wants are defined, the goods and/or services are measured against the needs and a final solution or slate of solutions is arrived at.



This is where hurrying can really hurt you as a salesperson. If you fail to correctly define the needs—or worse, not match your solution to those needs—you get eliminated.

This is also the step that salespeople are most likely to shortcut, as they look for a quick path to a sale. Hint: If you don't qualify on this step, the next one won't matter.

That's because the next step is evaluation—price and terms. The thing to remember is that price only matters if your solution is the correct one. Too many salespeople think they can price themselves into a sale that their solution didn't get them into. This is wrong.

The final step is decision. The customer either buys or doesn't buy.

Here's the important part: The selling process should mirror the buying process. In steps and speed.

Ideally, we want to be moving through the process at the same pace as the buyer. When we get ahead of the buyer, we're considered pushy and we make the buyer uncomfortable.

Comfortable customers buy. Uncomfortable ones don't—or they do so reluctantly, and aren't anxious to repeat the process with that salesperson. For most of us, repeat sales and relationships are our lifeblood.

"So you're telling me," old-time salesperson says, "that when a customer tells you to wait, that you wait?"

My response is that, yes, normally I do. Over the years, I've won far more deals than I've lost by respecting the customer's buying process.

The truth is that it's a lot harder (for the salesperson) to sit and wait than it is to push, push, push—I'm not an overly patient person. But it's a lot harder to lose a potentially good deal because you pushed a customer away.

So my advice to you with every customer is this: Find out how they want to buy and then align your sales process to it. Your customers will thank you and, sooner or later, so will your sales manager when you show him or her the numbers.

Troy Harrison is the author of "Sell Like You Mean It!", "The Pocket Sales Manager," and a speaker, consultant, and sales navigator who helps companies build more profitable and productive sales forces. To schedule a free 45-minute Sales Strategy Review, call 913-645-3603 or e-mail Troy@TroyHarrison.com.

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