FEBRUARY **2022**

THE RACE IS ON!

INDEPENDENT DEALER
The official publication of IOPFDA

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EDITORIAL

Welcome to the February edition of *INDEPENDENT DEALER* and, as this is actually the first edition of the magazine in 2022, I hope I am not too late in wishing you all a Happy New Year.

For many, jan/san was a category that provided an important lifeline during the pandemic. Those that were already involved were able to access much sought-after sanitizing products (although this quickly became more challenging) and find supply channels for other in-demand items such as PPE. Meanwhile, many independents that hadn't really concentrated on jan/san before soon realized that it would a good idea to start and earned vital revenue in the process.

As our writer and new associate editor Lisa Veeck discovers in this month's cover story, IDC members have been successfully taking market share from traditional jan/san dealers for some time and there are still plenty of opportunities to continue that trend.

Lisa, by the way, couldn't be better placed to write this article, as she has previously worked as the global communications and editorial director at ISSA. As many of you will know, she has been writing for us some time, but I'm very happy to be able to welcome her to her new position at *ID*.

I would also like to draw your attention to Paul Miller's article on page 29 and the IOPFDA notice on page 31 about this year's advocacy fly-in summit in Washington. As Paul points out, this is your "opportunity to sit across the table from our elected leaders and their staff and show them up close and personal just how much our industry has been impacted and why we need them to listen to us."

Please do try to attend if you can, to help ensure the voice of the IDC is heard in Washington.

WINNER'S CIRCLE

Yuletide Office Solutions, Memphis, Tennessee, celebrates 50 years

In December 1971, Paul Miller was preparing to open his new office products business in Memphis, Tennessee. He liked that time of year, when most people were in the holiday spirit; so when the company opened its doors a month or so later, it was as Yuletide Office Supply. He hoped the name would generate feelings of goodwill all year long. He wrapped customers' purchases in giftwrap to encourage this ongoing sentiment and included a candy cane with every order. Fifty years later, the company's catalogs still come in a giftbox tied with a bow and a candy cane accompanies every order. In fact, the company goes through upwards of 15,500 of the sweet sticks a year! "You've got to use what you have and it certainly gets attention," says current Yuletide

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Winner's Circle CONTINUED FROM PAGE 2

president and CEO Chris Miller. "You'd also be surprised how many calls we get if we forget the candy cane."

Chris started working for Yuletide in 1973 when he turned 16—old enough to make deliveries. Today, he owns 100 percent of the family business; although it wasn't the natural transition one might expect.

"My dad started the business to teach us consumer sales," Chris says. "His real business was in publishing. The idea was that my brothers and I would go into that business, and he would shut Yuletide down."

But Chris had other ideas: "I was 18. I loved my dad, but there was no way I was going to work for him. I told him I was going to stay working at Yuletide. It meant giving up a $150,000 paycheck, which is a lot of money now, but was a whole lot back then. So my dad kept the business open."

"It's been a ride!" Chris enthuses. "There have been more good days than bad and it's been fun. I am not saying there haven't been times when I wanted to throw my hands up and quit. But I have a great crew and I see a positive future, despite Omicron."

Yet there's no denying the pandemic has left its mark. "I feel like we are in the same place as we were two years ago and it's challenging; but customers overall are happy when we come by now," Chris says. "I think people are starting to understand this virus is out there—it's going to be out there and we have to move forward."

However, that might be easier said than done. "We have a lot of catching up to do from the last couple of years," Chris »

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accepts. "Before COVID-19, we were a $7 million company; during COVID-19, we were a $5 million company. But I'd say we've now recovered about 75 percent of the business we lost."

And staffing is another challenge, says Chris. "Yesterday, I hired a retired firefighter; he wants something to do and I want someone who will show up! But our team is pulling together to get the job done. Our salespeople are part-time drivers. I was out delivering yesterday and dropped off an order this morning at 9:00 a.m. And I have a good customer to deliver to later who ordered 25 bags of ice melt, and it is supposed to snow today. We can hire a courier for our good customers if supplies are needed the same day, but we are trying to do as much as we can in-house."

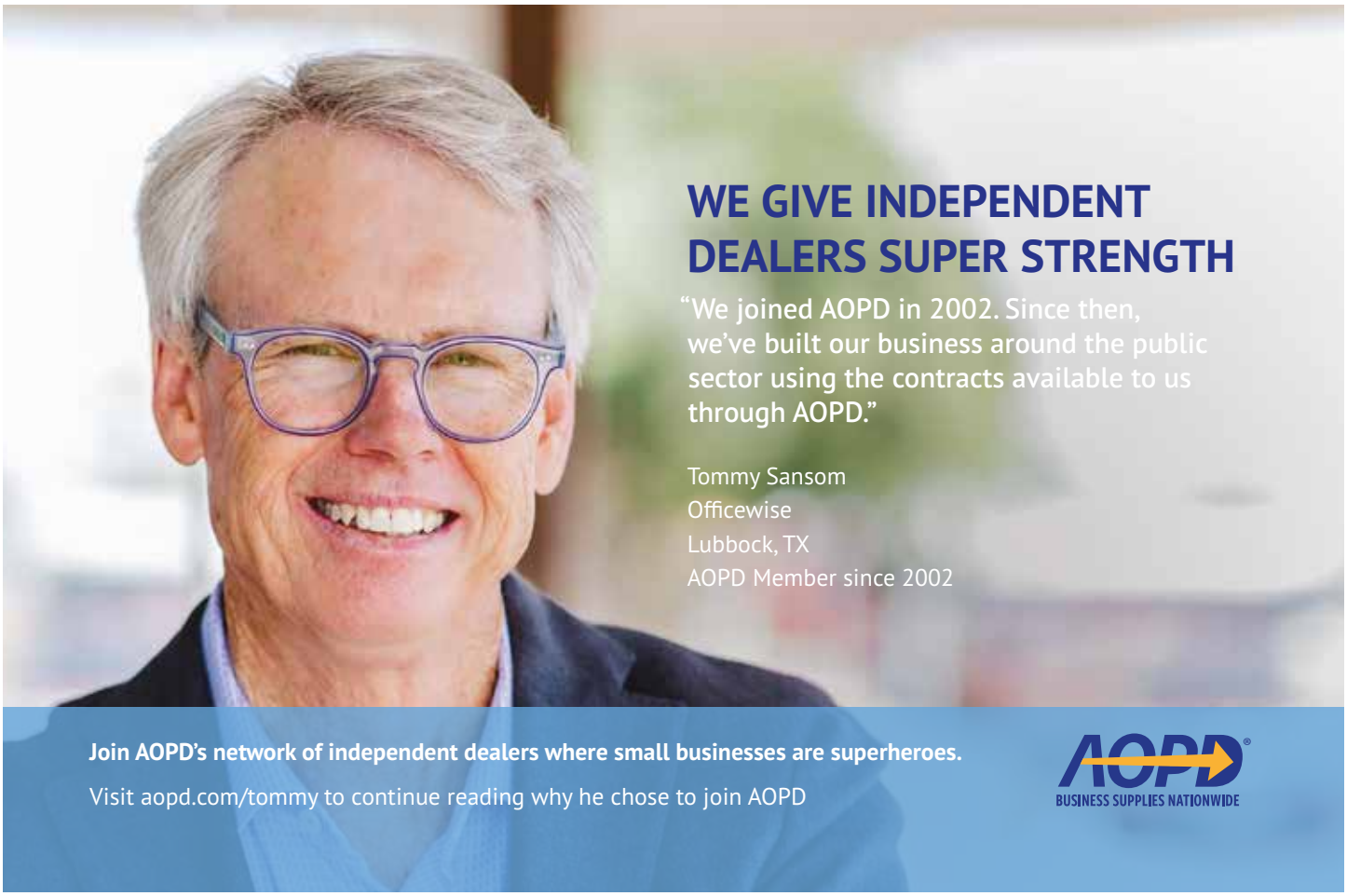
This "white glove" service is primarily what has got the company through the pandemic so far. So too has janitorial products: "The janitorial industry is behind in technology, so it made it easy for us to get the business; it was low-hanging fruit."

Today, janitorial accounts for 30 percent of Yuletide's business, with 60 percent office products and 10 percent furniture. Miller believes this diversification is critical to survival. "Dealers need to open up as many segments as possible," he says. "When office products were down, janitorial kept us alive. Now, PPE has gone down from what it was a year ago and office products are headed back up."

Other advice for dealers looking to hit the 50-year mark and beyond?

"Being in a buying group [ISG] has been very beneficial," Chris says. "It gives us more buying power, for one. We are also very involved in the community. I am a master gardener for the city, and we sponsor events and volunteer within our community. Give back to the community and I believe it will give back to you."

CEO Chris Miller



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Storey Kenworthy acquires Tallgrass, adds donation category

Storey Kenworthy, Des Moines, Iowa, has added independent dealer Tallgrass to its family of companies. According to John Kenworthy, Storey Kenworthy president and CEO, the union is the perfect marriage—for many reasons.

"Tallgrass is a fourth-generation, family and locally owned, 100-year-old independent dealer and we are a fourth-generation, family-owned independent dealer that just celebrated our 85th anniversary," he explains. "It was a natural fit given our long, rich history as independent office product and furniture dealers, and our visions, values and cultures. It also provided Tallgrass owners Doug and Dave Parsons an exit plan. They were ready to retire; it was their succession plan. It was important to them that Tallgrass remain independent and active locally to take care of their customers and employees."

According to John, the acquisition has also extended his company's geographic footprint: "It's another way we complement each other. Both companies have core office product and furniture businesses. Tallgrass represents Steelcase in eastern Iowa and we represent it in central Iowa. The acquisition allows us to extend our reach into some of the more populated areas in the east and expand our statewide presence."

Will the Tallgrass name be kept? "For now, it is business as usual," John says. "But based on initial feedback, we will be bringing it under the Storey Kenworthy brand name in the near future."

Meanwhile, Storey Kenworthy has presented Siouxland Mental Health Center with its 2021 Foundation of Giving Grant in the newly created mental health category.

The center provides a comprehensive range of mental health services for people of all ages who may be experiencing mental illness, personal or family emotional distress, or stressful circumstances that may feel overwhelming.

Since 2016, Storey Kenworthy has awarded grants to nonprofit organizations throughout Iowa whose programs align with its key giving priorities. Five organizations are selected on an annual basis for one of five $5,000 grants for a total of $25,000 annually. In 2021, mental health was added as a grant category.

"The addition of the mental health category was an outcome of the pandemic," explains John. "We saw there was a huge need for mental health assistance and support as a result of some of the struggles we've seen people going through as a result of COVID-19."

In addition to mental health, grant categories include abuse/violence prevention; children and education; and diversity, equity and inclusion. Grant applications are accepted from July 1 to August 31 each year. Applications are reviewed by the company's community engagement committee, which sends a shortlist to Storey Kenworthy's senior leadership team. The executives then vote, choosing the winners based on the opportunity for impact, the organization's need and the application itself.

Triplett adds Primary Source in central Iowa

Triplett Office Solutions of Urbandale, Iowa, has acquired Primary Source, Inc., a certified Targeted Small Business also located in Urbandale. The acquisition, which took effect January 17, expands Triplett's promotional division.

"We were looking to grow our promotional product business and Primary was looking to be acquired," says Triplett's vice president of sales Tim Triplett. "It is a good fit as we are both local companies with a similar culture and customer-centric core values. Also, we already have a promotional product division—it's one of our core competencies—so it seemed like a good way to expand our volume. It's also been a morale boost, showing staff we are taking actions to maintain our upward trend."

Mary Anne Kennedy, president of Primary Source, is equally pleased with the new partnership: "With both businesses headquartered in Urbandale and customer-service driven, it's a perfect fit for Primary Source employees and customers. We look forward to having even more resources to provide our clients with promotional solutions."

"We are thrilled to have Mary Anne and her team join us," adds Triplett CEO Dick Triplett. "After 50 years in the business, we know how to support and help businesses operate well and are excited to expand our promotional products department."

Primary's three employees will join Triplett's staff of 40 operating under the Triplett Office Solutions name.

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Acquisition for Nebraska dealer

Mark Miller, Russ Hoetfelker, Paul McKinney (Eakes' operations manager)

Nebraska-based dealer Eakes Office Solutions announced another acquisition at the end of December 2021.

The organization has acquired OfficeNet, a fellow Nebraska dealer that has been locally owned and operated for 67 years. It serves the office products, copier, furniture and cleaning supplies needs of businesses in the eastern part of the state.

Former owner Russ Hoetfelker retired on December 31, but customers will continue to see some familiar faces from OfficeNet joining the Eakes team.

"Russ and his team at OfficeNet have provided a high level of customer service to many Nebraska communities for a long time. We take customer care seriously, and we look forward to continuing that tradition while expanding products and services in the area," said Eakes CEO Mark Miller.

This latest deal comes just a few months after Eakes acquired MoneyWise Office Supply.

Eakes Office Solutions has 14 office locations across Nebraska, serving local businesses in Nebraska, Wyoming, Colorado, South Dakota, Iowa and Kansas.

New York dealer has new leader

As forecast in the last issue of *INDEPENDENT DEALER*, Andrea Bradley has been named the new president of Eaton Office Supply Co., Amherst, New York. She is the first woman to head up the fourth-generation family business. Former owner and president Bruce Eaton will stay on with the company as senior advisor.

Andrea started with Eaton Office Supply in 2008 in the marketing department. She became marketing manager in 2011 and began serving on the board of directors in 2018.

"Andrea is a good fit and a breath of fresh air for the company," Eaton says. "She is young, full of energy, bright and articulate. We believe in taking care of our employees and customers, meeting and exceeding expectations, and Andrea shares this ideology."

"After only a few weeks in my new role I'm getting into the swing of things and I can't wait to start implementing my plans for the future," enthuses Andrea. "Despite the challenges our industry is facing right now, we have what it takes to grow and succeed in 2022. I'm excited to make Eaton the best version of itself yet."

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Missouri dealer named business of the year

Independent office supplier BURO, West Plaines, Missouri, has been named 2021 Business of the Year by the West Plaines Chamber of Commerce. Once the list of nominees was narrowed down, BURO was voted the winner by the chamber's board of directors. According to the chamber, the award recognizes "outstanding businesses within West Plains that went further to distinguish themselves." BURO Owner Reid Grigsby accepted the honor during an awards ceremony on January 20, 2022.

"I'm elated," says Grigsby, "Typically, the award goes to a much larger organization, such as a hospital, university or major manufacturer. The fact that it went to a small business this time is wonderful. I brought the award in and my staff were pumped."

According to Grigsby, BURO "has five employees, including me, and does about $1.2 million in sales a year."

Grigsby has worked for BURO since 1999. He bought the company five years ago from his parents, Kathy and Rick, who had owned the 40-year-old family business since 1986.

"It's been a rough couple of years for small businesses," Grigsby reflects. "We are very community focused. When COVID-19 first hit, we said, 'Well, it's time to put on our work boots and see who we can help.' We wanted to take care of our employees, customers, business and community. To be recognized for all the hard work makes it worth it. It is a sign of great things to come."

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Iowa's furniture dealers combine

Pigott, a Herman Miller dealer headquartered in Des Moines, Iowa, has acquired the assets of Knoll dealer Saxton, based in Cedar Rapids, Iowa. Under the Pigott name, the new company will represent both legacy furniture brands throughout Iowa.

"Joining forces with Saxton affords us a unique opportunity to leverage the very best from both organizations—talent, experience, products and services. Our intention is to bring more innovative solutions to our customers and the architectural and design community," says John Stenberg, Pigott president and owner.

Thanks to the merger, Pigott is now a certified Herman Miller dealer, Knoll dealer and DIRTT partner, providing interior design and furnishings for commercial, healthcare, education and government entities. The nearly 80-year-old company has showrooms throughout Iowa—including in Des Moines, Davenport, Cedar Rapids and Dubuque—as well as in Sioux Falls, South Dakota. The 43-year-old Saxton operated showrooms in Des Moines and Cedar Rapids.

"We look forward to this new beginning and believe we will bring unrivaled resources, expertise and breadth of solutions to our clients and industry partners," says Kim Augspurger, Saxton's former owner, who will serve as a consultant for the combined company. »

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Georgia dealer expands to Florida

Office Images, Inc. (OI), headquartered in Atlanta, Georgia, has announced the acquisition of Office Environments & Services (OE&S) of Jacksonville, Florida, with the transfer of ownership effective January 1, 2022.

OI is a full-service furniture dealership aligned with Haworth, which has provided furniture and architectural solutions to commercial, government and healthcare clients since 1985. Serving the Atlanta business community and Fortune 500 companies nationwide, it has experienced steady growth since 2011 and expanded to Nashville, Tennessee in 2019. The company is owned by Bryan Roberts and Jim Staiti.

OE&S, led by owner and president E. Zimmermann (Zim) Boulos, has been a trusted furniture provider to Jacksonville and the northeast Florida community for over six decades. Founded in 1955 by Zim's father, Edward J. Boulos, OE&S today has 28 employees.

"Zim and I have developed a great relationship over the years through our membership in the same Haworth dealer peer group," says Bryan. "I admire his business acumen and leadership, and am thrilled he will continue to lead the team as president. I look forward to working together to grow OE&S."

"I have a lot of respect for Bryan Roberts, Jim Staiti and Office Images and believe our combined operations will mean even better days ahead for OE&S," says Zim. "My dad built this family business and I could not have succeeded in maintaining his high standards without the loving support of my wife, Terry, and my daughter, Meredith."

Zim also fondly recalls what his years as the head of OE&S allowed him to do in the local community and beyond: "I take a lot of pride in what we contributed to the community, with the tree planting projects, the renovation of San Marco Square and the addition of eight pieces of outdoor sculpture there; as well as the opportunity the company gave me to become an international soccer referee for FIFA and officiate in Major League Soccer, the 1996 pre-Olympics tournament and the preliminary rounds of the 1994 and 1998 World Cup."

Bryan confirms that the physical locations of the OE&S showroom and warehouse will remain unchanged. All managers and staff will be retained in the same or similar roles to ensure a seamless transition and continued customer service.

Houston-based Butler brings ProLine into fold

Butler Business Products, Houston, Texas, has acquired ProLine Supply Company, a promotional products company also based in Houston.

"Acquiring ProLine gives us a better opportunity to diversify," says Butler president Stacy Duke. "We can offer our customers more promotional products and we will have new customers to provide with office products, janitorial products and furniture. The merge also gives us better relationships with promotional vendors."

According to Stacy, promotional products account for about 10 percent of Butler's total sales, a figure she hopes to double following the acquisition. The acquisition will also extend Butler's reach, since ProLine had a lot of national accounts, she says.

"Seven years ago, an advertising specialist, Sally Stricklett, approached Darlene—who owned ProLine—and told her when she was ready to sell, I was interested," Stacy relates. "Darlene remembered that conversation seven years later and, ready to retire, approached me. I thought that was cool."

The company will operate under the Butler Business Products name.

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SECRETS of success

Office Peeps—Watertown, South Dakota

Year founded: 1959
Number of employees: 35
Key management: Jessica Vockrodt, controller and co-owner; Lee Grace, operations manager; Katie Woodard, director of design; Rob Ireland, service manager
Main wholesaler: S.P. Richards

While many businesses were struggling in 2021, Office Peeps, Watertown, South Dakota, was busy setting a company sales record. But the highest-scoring category wasn't facility maintenance, as one might expect. "We did well in all categories," reports president and co-owner Joel Vockrodt. "But 2021 was a phenomenal year for interiors—our sales were up 67.6 percent compared with 2020."

These soaring sales were no accident. "About three years ago, we acquired Central Business Supply and a large percentage of its business was furniture," says Vockrodt. "We also started focusing more on the interiors category, promoting it separately to better explain what we are capable of doing. Another factor is we have been growing our relationships in the postsecondary education market, and many of these projects had been planned for a while." And finally: "Government agencies had money to spend and many businesses are stronger than ever due, in part, to government help. It also helped that we are in a rural area and the economy didn't contract as much as in other regions."

Vockrodt believes trends in furniture say a lot about the economy: "Furniture is all about confidence. It is not a necessity; it can be put off. In the recession of 2009, we hardly sold a chair. But we've just had an amazing furniture year and I don't think it was unique to us. I heard it was a good year for other dealers."

While furniture is booming, now accounting for 43 percent of Office Peeps sales, Vockrodt credits the janitorial and technology sectors for helping the company get through the worst of the pandemic.

"In 2020, facility maintenance exploded, but general office products and our copier service revenues were down because people weren't at work as much," he says. "The flipside is that we sold as many laptops and small printers as we could get."

At 17 percent in 2021, technology currently represents the smallest slice of Office Peeps' total sales, but Vockrodt envisages this expanding in the future: "An area we want to focus on and grow along with furniture is software sales. I think we are fairly unique in that we are selling subscription-based software like Office 365 and anti-virus software. It's good for business and a good way to evolve. It's an area I can see us growing."

Vockrodt believes this type of product expansion has always been key to Office Peeps' success. "One of our strengths is diversification; we've changed a lot over 60-plus years," he explains. "When the company was started in 1959, it sold typewriters and calculators; calculators were the newest technology then. We evolved into different machines, office supplies, furniture and facility maintenance. Through COVID-19, some categories were down; other categories were strong. It was diversification that helped us through. So we look for areas where there are growth opportunities."

He believes the company's underlying ideology has helped fuel this diversified growth: "We never thought of ourselves as a machine company or an office supply company. We think of ourselves simply as a company that supports other organizations. Businesses change and we supply them with their changing needs. This mindset helps us be openminded and evolve."

In addition to diversifying and keeping up with the times, Vockrodt offers this advice to other dealers: "Belong to ISG; take advantage of its resources. Our business model revolves around the group's stocking programs, and its programs have been a huge help. We stay active in it. We've served on committees, my dad and I have served on the board. I have had the privilege to be chair. We embrace that organization and it has been a huge part of our success."

And as for Office Peeps' future? "In the 20 years I've been involved in the business, we've grown steadily, in part due to acquisitions," Vockrodt says. "The next 10 years could include more acquisitions and focus on some organic growth opportunities."

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BICRGGAP4BE	BIC® PrevaGuard™ Gel-ocity® Gel Pen	0.7mm	Blue	4 CT
BICRGGA11BK	BIC® PrevaGuard™ Gel-ocity® Gel Pen	0.7mm	Black	DZ
BICRGGA11BE	BIC® PrevaGuard™ Gel-ocity® Gel Pen	0.7mm	Blue	DZ
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ISG announces Industry Week for 2022, confirms board

US dealer organisation Independent Suppliers Group (ISG) has confirmed the dates and location of Industry Week '22.

This year's week-long agenda will take place from 6-11 November at Caesars Palace in Las Vegas, Nevada. It will feature the seminars, meetings and events that Industry Week introduced last year, such as the ISG General Session and Member Meeting, peer networking opportunities, Pinnacle one-on-one member/supplier meetings and an exhibitor tradeshow.

"Being part of Industry Week 2021 was a breath of fresh air," said Eric Gellman, VP of sales for The Raynor Group/ Eurotech. "Being able to see smiling faces, shake hands and give hugs to old friends was just part of what made it a success. The large group of dealers that were there were truly interested and engaged. I know that 2022 will be a better year for all of us and that Industry Week '22 will be a huge success."

ISG chairman Jordan Kudler added: "I'm very much looking forward to … building on the success of Industry Week '21. "We received a lot of positive and encouraging feedback from surveys that we sent out to our dealer and vendor attendees. I'm confident that Industry Week '22 will garner the same high marks."

More details about the event will be brought you by *INDEPENDENT DEALER* in the coming months.

Meanwhile, ISG has confirmed the election of four members to its board of directors.

At the annual shareholders' meeting last December, four people were elected to serve three-year terms on the board. They are:

- Yancey Jones Jr – The Supply Room Companies
- Brian Kerr – Kerr Workplace
- Ian Wist – Wist Office Products
- Paul McKinney – Eakes Office Solutions

The executive committee was also elected, and is unchanged from the previous year:

- Chair: Jordan Kudler – Legacy Office Solutions
- Vice Chair: Yancey Jones Jr
- Treasurer: Thomas Jordan – Herald Office Supply
- Secretary: Brian Kerr

"I am honored that the ISG board has placed a high level of confidence in last year's executive committee, by electing to keep the same individuals in the same positions for the 2022 term," said Kudler. "I am also pleased with the addition of Paul McKinney to the board and I am looking forward to his contributions on behalf of all shareholders and members."

To view the entire makeup of the 2022-23 ISG board of directors, click here.

IOPFDA announces 2022 scholarship applications

The Independent Office Products and Furniture Dealers Association (IOPFDA) has announced the opening of applications for its annual scholarship.

The program is open to high-school seniors, college students and graduate students pursuing higher education. Employees and immediate family members of all IOPFDA member companies are eligible to apply from January 10 until March 11, 2022.

Created more than 50 years ago, the IOPFDA Scholarship Fund has now awarded more than $2.7 million in scholarships to families of office products and office furniture dealers and is supported entirely through individual and member contributions. The fund recognized 40 college students who received one-year scholarships in the 2020-2021 academic year.

"Scholarships can make a difference for students and their families to achieve their dreams of higher education, while managing rising tuition costs," said IOPFDA president Charlie Kennedy. "We encourage all member companies to spread the word and help introduce future leaders to the opportunities in the office products and furniture industry."

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ODP halts split after buyout proposal

There has been a twist in what appeared to be the inevitable forthcoming merger of the Staples and Office Depot retail operations.

The ODP Corporation (ODP) has announced it has delayed its separation into two publicly traded entities, something that was expected to occur in the second quarter this year. That split was set to pave the way for ODP to enter into a transaction with Staples owner Sycamore Partners to combine the two big box store networks in the U.S.

In November 2021, Sycamore had reaffirmed its non-binding proposal to acquire ODP's consumer business (comprising its stores and officedepot.com website) for $1 billion in cash. In mid-January, however, ODP confirmed it remains in conversation with the private equity firm as it "further evaluates the potential value and regulatory risk of Sycamore's proposed transaction."

However, it also revealed that in December last year, it received a non-binding proposal (the terms of which are confidential) from another third party to acquire its consumer operations.

"The company's board of directors is carefully reviewing both proposals with the assistance of its financial and legal advisors to determine the course of action that it believes is in the best interests of the company and its shareholders," ODP said in a press release.

It added: "While the company has previously been focusing on completing the public company separation during the first half of 2022, it has determined to delay further work on the separation in order to avoid incurring potentially unnecessary separation costs while it focuses on a potential sale of the consumer business."

ODP CEO Gerry Smith commented: "We look forward to further evaluating the potential sale of ODP's consumer business to determine whether a sale may provide greater value for our shareholders than a public company separation. If the consumer business is not sold, then ODP's board of directors will re-evaluate the advisability and timing of the public company separation."

ODP
THE ODP CORPORATION

New appointments at SPR

Wholesaler S.P. Richards (SPR) has made two new appointments to its leadership team

John Molidor (above) has been promoted to director of jan/san merchandising at the company. His role will see him coordinate the category's supply chain and develop new strategies for growth with existing and new partners.

Molidor joined SPR in 2013 as merchandise manager. Prior to that, he was with Newell Rubbermaid.

Meanwhile, the wholesaler has appointed ex-Grainger exec Scott Huling (below) as director of sales—southeast.

Huling previously spent more than 10 years at Grainger, most recently as a district sales manager responsible for implementing public sector sales strategies focused on delivering profitable revenue. Before that, he led teams at OfficeMax and FedEx/Kinkos.

"Scott's leadership style is employee- and customer-centric, providing the strategic and tactical skills needed to drive market share," commented Stephanie Moy, SPR's VP of sales.

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Registration opens for NeoCon 2022

Registration for commercial interiors showpiece NeoCon is now open. The show is free for all to attend.

Centered around the theme "Design Makes a Statement," the 2022 edition will feature products and services tailored to the event's diverse attendee base, which includes leaders from across the commercial design, architecture, facility management and real estate industries with specialties that include healthcare, office, education and hospitality.

"We are looking forward to welcoming the industry back this June," comments Byron Morton, vice president of sales and leasing at NeoCon. "From powerful keynotes, on-site and virtual programs and CEU-accredited talks, to product launches and special activations, NeoCon 2022 is set to 'make a statement.'"

"NeoCon is, and always has been, North America's most important launch event for the contract furniture market," comments Daniel Stromborg, a senior associate design director at Gensler Los Angeles. "There is nowhere else designers and architects can go to experience, see, touch and understand the latest trends in commercial design and I am looking forward to what 2022 has in store."

Programming this year will be a combination of on-site and virtual activations, featuring keynotes, special programs and CEU-accredited talks from leaders within the workplace, technology, healthcare, education and broader design spheres. The Best of NeoCon Awards will also be returning for its 31st season, offering a chance for exhibitors to submit their brightest product innovations from the past year and be reviewed on-site by a distinguished jury of designers and industry specialists.

Programming registration will open in April. To register, click here.

City of Hope expands U.S. reach

Cancer research and treatment organization City of Hope (COH) has completed the acquisition of Cancer Treatment Centers of America (CTCA), a network of oncology hospitals and outpatient care centers across the U.S.

COH now has one of the largest geographic footprints in cancer research and treatment, providing cancer patients in the U.S. with timely access to exceptional care, clinical trials and leading-edge innovation.

"With the completion of this acquisition, City of Hope and CTCA are combining complementary strengths, with a shared commitment to providing the best, most compassionate care possible," said COH CEO Robert Stone. "Together, we are creating a new model for how cancer care is delivered, leveraging real-world cancer care experience to inform scientific innovation and making tomorrow's new discoveries available to the people who need them today."

The combined organization will serve approximately 115,000 patients each year, with more than 11,000 team members and 575 physicians across a network of locations in California, Arizona, Illinois and Georgia.

The National Business Products Industry has been a committed supporter of COH for many years, raising more than $230 million over the past four decades. »

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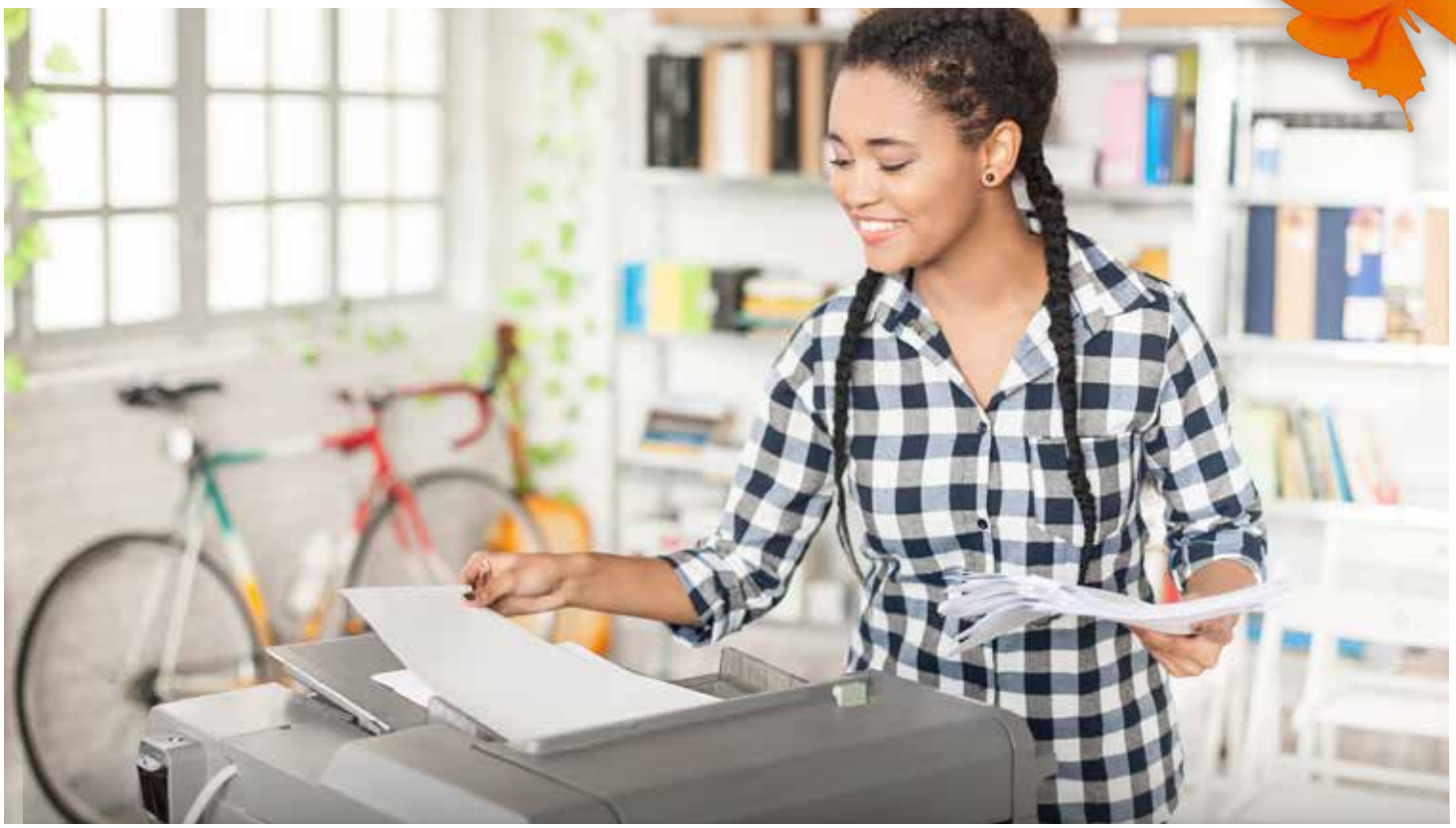

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Leadership transition at Ingram Micro

IT distributor Ingram Micro has a new CEO after Alain Monié's move to an executive chairman role.

Paul Bay, previously president of Ingram's global technology solutions (GTS) division, has been named as CEO. In addition to continuing to oversee GTS, Bay now leads the strategic planning, growth and development of the company's Cloud Marketplace, the CloudBlue platform, and the environmentally focused IT asset disposition and reverse logistics businesses.

Bay joined Ingram Micro in 1995 in vendor management, rising to SVP. He left in 2006 to serve as CEO of Punch Software and returned in 2010 as president, North America. In 2016, he was named group president of the Americas before being appointed to lead GTS.

As executive chairman, Monié will focus his time on working alongside Bay and Ingram Micro owner Platinum Equity to "continue to generate growth and maximise value for the company's customers, partners and shareholders."

In other executive changes, Kirk Robinson has been promoted to president, North America. He remains head of the company's U.S. business, and takes on additional responsibility for Ingram Micro Canada, teaming up with chief country executive Bill Brandel.

Meanwhile, Luis Férez has been named as president, Latin America, adding oversight across the company's businesses in Latin America, while also maintaining his responsibilities as chief country executive of Mexico and head of Ingram Micro Colombia and Peru.

Essity acquires in North America

Cleaning and hygiene products specialist Essity has acquired a U.S.-based wipes supplier in a deal that could be worth up to $50 million.

Essity has bought New Jersey-based professional wiping and disinfectant products manufacturer Legacy Converting. Founded in 2004 by Dr Jason Slosberg, Legacy offers products within the categories of sanitizing and disinfecting wet wipes, chemical-ready wipes and dry wipes. It is well known for its Everwipe brand of roll and folded wipes which come in a variety of formats. Its customers are mainly found in the industrial, office supplies, public interest, commercial and healthcare market segments.

Essity is paying an initial $40 million for Legacy on a cash- and debt-free basis, with an additional earnout potentially reaching $10 million (for which Essity declined to specify a timeframe). The company confirmed that the existing Legacy management team—including Slosberg—is staying on, and that Everwipe will continue to be marketed and sold under its own brand.

"As a leading global hygiene and health company, we are committed to offering innovative sustainable hygiene products and services. With the acquisition of Legacy Converting, we will expand our wiping and cleaning product offering and further strengthen our presence in key customer segments in the North American market," said Don Lewis, president of professional hygiene at Essity.

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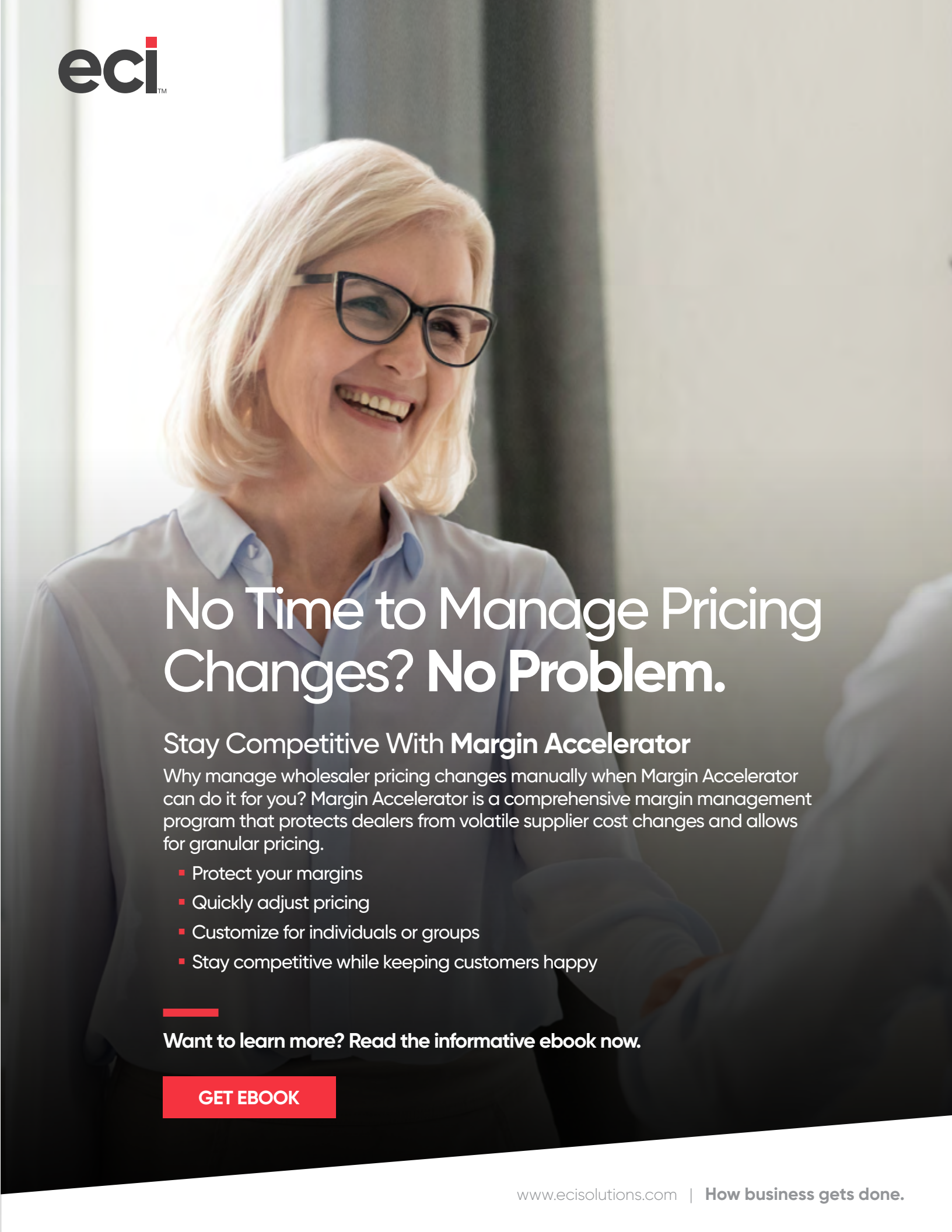

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 CONTINUED FROM PAGE 22

Tombow promotes Talbot

Writing instrument supplier Tombow has announced a new director of sales for North and South America.

Colleen Talbot, who has been at Tombow since 2014 and spent the past two years as national sales manager, has been promoted to the role. Her plans include focusing on the brand's customer base in the regions and exploring new sales channels.

"[Colleen's] extensive knowledge of and passion for our business will be a tremendous asset to our company and position us for continued growth," said American Tombow President Jeff Hinn.

New CEO at Polyvision

Visual communications manufacturer Polyvision has appointed an experienced office furniture exec as its new CEO.

Taking on the leadership of the Johns Creek, Georgia-based firm—which has manufacturing facilities in both the US and Europe—is office furniture veteran Kevin McCoy. McCoy spent more than 21 years at contract furniture maker Kimball, rising to become president of its National Office Furniture subsidiary in 2014. He left the company in 2018 and has been doing consultancy work since then.

McCoy said he was joining Polyvision at an "exciting new phase of development and growth… As we focus on advancing our CeramicSteel offering globally, we remain committed to rapid growth and to extending our partnerships in the years ahead," he stated.

Polyvision was owned by Steelcase between 2001-2020 before being sold to private equity firm Industrial Opportunity Partners in a $74 million deal in February 2020. A few months later, Polyvision acquired Marsh Industries, one of the largest manufacturers of visual display boards in the U.S.

Katun North America introduces critical parts for multiple machines

Minneapolis-based compatibles producer Katun Corporation has announced the introduction of several parts for a wide range of imaging equipment.

The Katun Performance staple cartridge is now approved for use in Sharp applications, as well as existing Kyocera, Epson and Ricoh applications. This product provides OEM-equivalent performance and yields. Equivalent OEM PNs are MX-SC11, SH-12, C135S210061 and Type V.

Katun has also introduced a charge roller cleaning roller for use in more than two dozen Canon iR Advance machines; this product is also provided as part of the drum kit for several of these applications.

The Katun Performance transfer belt for use in Konica Minolta Bizhub C451/C550 and C452/C652-series applications has also been introduced. This product also provides OEM-equivalent performance and yields.

Finally, the Katun Performance drum cleaning blade for use in Sharp MX-B355W/B455W-series applications is also available.

Customers can access the Katun Online Catalog and find Katun customer service contact information, at www.katun.com. »

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CREATING ORIGINALS

 CONTINUED FROM PAGE 24

No slowdown in Imperial Dade acquisitions

Jan/san distributor Imperial Dade has made two more acquisitions.

In late December, the company announced it had bought Garrett Paper, a family-owned supplier of food service disposables and janitorial products based in St Louis, Missouri. Then, on 4 January, Imperial Dade announced the acquisition of HyKo, a Salt Lake City, Utah-based distributor of janitorial products run by Ron and Mike Starr.

The transactions—for which financial details were not disclosed—represent the 45th and 46th acquisitions for Imperial Dade since 2007, when Bob and Jason Tillis took over the company.

Exec promotion at Floortex

Surface protection vendor Floortex has announced a senior promotion for its sales operations in North America.

Christina Williams has been promoted to head of North American and export sales from her previous position as head of e-commerce. She will continue to be based at the UK corporate head office in Tewkesbury.

Williams joined Floortex in 2007. "[This] new position for 2022 is a recognition of the major impact and contribution [Christina] has made over the years, and her skills and experience will be a key part of our strategic development going forward," commented CEO Steve Bull.

AmpliVox releases Da-Lite lecterns

AmplVox Sound Systems is now offering lecterns and AV equipment rack carts formerly marketed by Da-Lite.

The lecterns, which have been manufactured by AmpliVox on behalf of Da-Lite for the past four years and have been recently discontinued by Da-Lite, are now available exclusively from AmpliVox and its resellers.

The lecterns, engineered and manufactured in AmpliVox's made-in-the-USA facility using CAD/CAM technology, are available in several basic series as well as an extended offering of over 50 standard and custom models, plus a selection of veneers and laminates in a wide range of colors. Available special accessories include microphones, reading lights, cable management cutouts and much more.

Two of the former Da-Lite lecterns are American Disabilities Act compliant, now joining AmpliVox's selection of other height-adjustable lecterns that meet the needs those individuals who use a wheelchair or wish to sit during presentations, as well as individuals who use the lectern in a regular standing position.

"We are pleased to carry on the quality of the Da-Lite lectern brand," said Don Roth, CEO of AmpliVox. "AmpliVox lecterns are renowned for their innovative design and wide range of features—including multimedia adaptability and quality workmanship. Our customer service is second to none. Our lectern line has steadily expanded over the years in response to growing customer demand and now these Da-Lite lecterns are in important part of our comprehensive offering."

To learn more about AmpliVox Sound Systems' products, visit Ampli.com.

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IOPFDA update

By Mike Tucker

Throughout my years in the industry, price cutting has always been a hot topic. Office Depot, Staples, Corp Ex and now Amazon have made selling products below cost foundational to their business strategy. I recently took a little time to look through an old edition of the National Association News for 1917-1919, which I inherited when the NOPA headquarters was sold several years back. I came upon this poem that I think describes the age-old strategy of price cutting quite eloquently. A dealer from that era printed this with all the customer price lists he produced. I hope you enjoy it!

A Stationer's Soliloquy

(With due respect and apology to Hamlet, or William Shakespeare, his creator)

To cut or not to cut,---that is the question;
Whether 'tis not better in the end
To let the chap who knows not the worth,
Have the business at cut-throat prices; or
To take up arms against his competition,
And by opposing cut for cut, end it.
To cut, ---and by cutting, put the other cutter
Out of business, ---'tis a consummation
Devoutly to be wished. To cut,---to slash!
Perchance myself to get it in the neck, ---
Aye, there's the rub; for when one starts to meet
The other fellow's price, is like as not
He's up against it good and hard.
To cut and to lash is not to end the confusion
And the many evils the trade is pestered with.
Nay, nay Pauline, ---tis but the forerunner
Of debt and mortgage, such a course portends.
'Tis well to get the price the goods are worth,
And not be bluffed into selling them for what
So-and-So will sell his goods for
Price cutting does appear unseemly
And fit only for the man who knows not
What his goods are worth, and who, 'ere long,
By stress of making vain comparison
'Twixt bank account and liabilities
Will make his exit from the business.

Mike Tucker is the executive director of IOPFDA. For more information on all IOPFDA programs, contact him at info@iopfda.org or (410) 493-9491.

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IOPFDA legislative update

By Paul A. Miller, IOPFDA legislative counsel

There is no disputing the impact COVID-19 has had on the industry over the past two years. There is also no disputing how the federal government's response to the pandemic has affected our industry. It's hard to recover when local, state and federal governments lock the country down and encourage people to shelter in place. It's hard to recover when the federal government becomes not only your biggest competitor, but also the biggest obstacle in your business's path to recovery. It's hard to encourage people to get back to work when the government incentivizes workers to stay home. It's hard to recover when Congress doles out billions to everyone in other specific industries but yours.

The challenges facing our industry from the pandemic remain and actions by Congress are still holding us back in more ways than just preventing us from getting on the road to recovery. When the country shut down in 2020, you could say the federal government did too. Yes, Congress and the executive branch were operational; but I would argue, they were not functional. I would argue that when Congress went virtual, this gave it a license to close itself off from We The People. As the country has reopened, Congress and the executive branch have remained closed to the people. This has made advocating and being heard that much more difficult for industries like ours. It's hard enough trying to keep your business operational during a never-before-seen pandemic; but when those elected to help you can't be reached, it becomes that much harder to recover. This gives credence to the tagline there are the haves and have nots in this country. Big business has the deep pockets to penetrate these obstacles, while small businesses—the engine of the economy—are locked out.

This is all about to change as the Independent Office Products & Furniture Dealers Association (IOPFDA) plans to head to back Washington on March 30-31, 2022 for its annual legislative fly-in event. This will not be a virtual Washington event. This will be in person, so that we can meet face to face again with our elected leaders to educate them on the challenges we continue to face. This industry has never come to Washington with its hand out. It has come to Washington to advocate solutions-driven, commonsense policies that are good for the industry and the country. For the past two years we have not been able to do that in person. This year, we are changing all that!

When the country shut down and Congress was spending trillions on new programs, it was IOPFDA that stood up and said, "We need access to capital with long-term repayment options." We understand balancing budgets and the need to spend within your means. We were asking for a partner, not a sugar daddy of sorts. We didn't demand more free money; we created the Small Business Jump-start America Act, which proposed a low-interest, long-term repayment program in partnership with the federal government. It was a solutions-driven proposal that wouldn't have cost taxpayers a dime in the end.

The challenges you face at home and in Washington are why this year's in-person legislative fly-in is so critical. It gives us a much-needed opportunity to sit across the table from our elected leaders and their staff and show them up close and personal just how much our industry has been impacted and why we need them to listen to us. It is our chance to get back to meeting in person to have our voices heard in a sea of voices all looking for their share of continued pandemic spending.

There is no doubt that this year's event will be a little different. We still have hurdles to overcome when it comes to meetings, but these are manageable. Going back to Washington in person sends the message that we are going to be heard and that our issues are too big for Congress to ignore. Virtual meetings have been a nice gimmick. They »

served a necessary purpose during the height of the pandemic, but to my mind they have not been effective. It is too easy to sit behind a monitor and "pretend" you are engaged and listening to a screen filled with a lot of faces that you have never met and are not likely to see again. Sitting behind a screen allows you to check emails or work on other projects while pretending to listen and care about the issues your constituents care about. It's too easy to move from so many Zoom events that by the end of the day, you have forgotten half of the meetings you had, who they were with and what they were about.

This year, IOPFDA has set its sights on several priorities that are impacting your bottom line right now. These are the pocketbook issues we hear about from our elected leaders. With 2022 a critical mid-term election year, both sides need to cater to voters. Democrats have found themselves stuck in a fight between the liberal and moderate wings of the party and President Biden has found himself stuck trying to cater to both sides, while his approval ratings continue to drop. On the other side, you have Republicans who smell blood in the water with so many Democrats retiring and the party unable to move forward on core priorities they campaigned on. Republicans have not been helpful to Democrats, but the lack of votes for these key priorities comes from within the Democratic party itself. And as we enter 2022, the noise in Washington is getting louder. We still do not have an FY'22 budget. We need an FY'23 budget. We are in an election year, when members of Congress will be spending more time back home than they will here in Washington. I know what you're thinking: "When they are at home, it means they can do less damage in Washington." I get that; but it means a limited calendar and floor time available to pass key legislative initiatives that are important to IOPFDA and your business.

Now, add in the fact that Supreme Court Justice Stephen Breyer just announced he will be retiring at the end of this term. SCOTUS confirmations have become challenging over the past several years. In 2021, Democrats would have been able to maneuver through a protracted and negative nomination process because they have the vice president to cast the 51st vote in support of the nominee. But 2022 looks very different with the news this week that Senator Ben Lujan (D-NM) has suffered a stroke, which he is expected to recover from. His health will play a role in whether the Democrats can push through their nominee quickly. If not, look for Republicans to try to stall it until after the November elections, when they could be back in the majority.

I share this with you because it all plays into our need to be heard—and heard in person. This year we are focused on trying to continue an effort to change the rules of the Small Business Administration's (SBA) Economic Injury Disaster Loan program. We are requesting the interest rate be lowered from almost 4 percent to 2 percent. We are asking the SBA to eliminate the collateral requirement, which has kept small businesses from being eligible for this much-needed capital.

IOPFDA is also working with some in Congress to try to reimplement the Employee Retention Tax Credit. This was a well-kept secret in 2021 at a time when more businesses could have used it. This benefit expired in October 2021 to help pay for the five-year transportation reauthorization bill. This investment is a critical resource to industries like ours, which already are having a difficult time retaining employees.

IOPFDA got an early Christmas present in December 2021 with the passage of the FY'22 National Defense Reauthorization Act, which included language requiring the General Service Administration (GSA) to set a timeline to pilot all three online marketplace business models and not just the "Amazon" model. This is a two-year effort that paid off. Now we must keep the pressure on Congress and the GSA to follow through on this requirement. With your help and participation at this year's fly-in, we can keep this local small business pressure on.

In addition to these battles, we are working with key members of Congress on antitrust legislation that applies commercial practices and requirements to the federal marketplace. Again, your voice is needed to talk about the impact that giving your proprietary pricing data to Amazon or others would have on your business.

How do we achieve this if we don't bring you—the face of your business and the industry—here to Washington to share your stories? I think I'm pretty good at my job; but IOPFDA doesn't have the deep pockets for an army of lobbyists, which means we are going up against every other industry looking for help and support. You are the faces of the industry and you have the direct stories that members of Congress need to hear. They need to hear how their actions have prohibited you from keeping your workforce. They need to hear how shutting down the country has put your business on life support. They need to hear your solutions. You cannot do that effectively over Zoom. Face to face still matters and is why we need you to join us this year in Washington in March.

So, as you look at budgets and schedules, this is one event I do not think you can pass up this year. It is a small investment with a huge upside for the industry, your business, your employees and your bottom line. Will I see you in March? I hope so!

For any questions, please contact Paul Miller, IOPFDA director of government affairs on (703) 383-1330 or via email at pmiller@mwcapitol.com.

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*Early-bird pricing through March 1

Early-bird registration for the 2022 Clean Advocacy Summit ends March 1, so be sure to register soon

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REGISTER TODAY

THE RACE IS ON!

Jan/san is becoming an increasingly important part of the office supply dealer's mix, and we are becoming increasingly adept at winning customers from other resellers, Lisa Veeck explains

 CONTINUED FROM PAGE 32

Outsiders might think that the COVID-19 pandemic is what encouraged office product dealers to throw their hats into the janitorial supply ring. But nothing could be further from the truth. A healthy competition between the two industries has been underway for years, with each trying to convince customers that it is best able to handle all their supply closet needs.

More recently, big box giants like Staples, which had been slowly but steadily moving into the jan/san space, accelerated the race by boldly claiming top spots in the jan/san supply world. Office supply wholesalers began stocking copious amounts of jan/san, while their top management graciously accepted board positions in once jan/san-only associations. Traditional office supply groups hired facility management experts to help their members maneuver smoothly into the jan/san market. Then came COVID-19, which convinced dealers hesitant to cross the janitorial supply border that staying out of the product category was no longer an option; it was survival.

While the dust has by no means settled, it appears that the office supply industry is clearly in the lead. However, given the challenges of capturing market share, it is far too soon to definitively call the race. With this in mind, let's look at why some independent office product dealers have made the leap into janitorial supplies, as well as some of the issues they face.

Diving in

"It was easy—like taking low-hanging fruit," recalls Chris Miller, CEO and president of Yuletide Office Solutions, Memphis, Tennessee, of the company's move into the jan/san sector. "The janitorial industry is way behind in technology and we got orders there on time—overnight, even—which many janitorial companies don't do." This "low-hanging fruit" now accounts for 35 percent of Yuletide's sales.

When IQ Total Source, Tempe, Arizona, started selling jan/san supplies in 2014, the category accounted for five to 10 percent of its sales. Today, that stands at 50 percent, according to chief culture officer Ryan Puccinelli. He thanks the wholesalers for encouraging IQ to break into the market. "Back seven or eight years, S.P. Richards and Essendant made strong declarations that the independent dealer community needed to start selling these products," he says. "We saw the wholesalers move in that direction. Office products were going down. We have the distribution model and are in front of the customers, so it was a logical pivot."

Puccinelli thinks changes in jan/san formulations also helped: "I'd say 75 percent of janitorial products are not technical and chemicals aren't unnecessarily intimidating because they are less technical than they were. »

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A lot of chemicals today use the same ingredients and three to four chemicals provide all the solutions customers need, from floors to glass cleaning to disinfection."

According to Mark Whitlow, president of Office Products Alliance, Kansas City, Missouri, "It was easy to move more into the market because we have had our customer base for 27 years. Secondly, we are fully automated—not to the level of Staples, but for independent dealers, we are on top of technology. We have great automated distribution and warehousing, and a great website. We have all the infrastructure in place, so we can distribute the products customers need quickly and efficiently to make us competitive."

However, Whitlow also knew what he didn't know. "So many people wanted to do business in this channel, but we were not experts or price competitive," he says. "We really needed an expert on staff—someone who understood and was able to dive right in. So we hired Vince Rossetti, who has more than 20 years' experience, and now we are immersed in it."

Pre-Rossetti, jan/san accounted for eight to 10 percent of the company's sales; today, that has increased to 18 to 20 percent. "I think 10 percent growth on a $10 million business in just three years is pretty good," Whitlow says.

Looking forward, Whitlow expects that annual growth of three to five percent is realistic and suggests this upward trend should continue: "I certainly believe jan/san is an area of growth. As a matter of fact, I can see a day of almost getting out of office products and doing more jan/san. Of course, everybody defines 'jan/san' differently, so I am including break room, food service disposables, etc." The company also continues to expand its customer base. "We are calling on restaurants daily," he says. "Six months ago, we had never called on them. We might have sold them office paper, but now we are selling them napkins and disposables."

In 2013, well before the pandemic, 1st Source, Minneapolis, Minnesota, started selling jan/san products. "We look for trends and could see office products were dropping 2 to 3 percent a year," says CEO Greg McLeod. "So we were looking to diversify and sell larger, profitable orders in other verticals."

In 2013, jan/san accounted for about 5 percent of 1st Source's total sales; today, that figure is around 45 percent. "If we hadn't gone for success in jan/san, I don't know if we'd still be around," McLeod admits. "During the worst of COVID-19, our office products dropped 80 to 85 percent, so if it weren't for jan/san then, we wouldn't be talking. Most of those orders, 85 percent of the janitorial supplies we were selling, we were able to grab ad hoc; and thank God we were. But those orders are not going to repeat."

Like Whitlow, McLeod sought out seasoned assistance: "We've had a jan/san specialist on staff for three years and we noticed a big improvement in sales. It's a credibility factor with big customers. Without the expertise, we didn't have a high success rate of closing deals. We are looking to bring another specialist on board and anticipate it will create a good return on investment next year."

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McLeod believes the relationships office supply dealers build with their customers is another reason why they are succeeding in jan/san. "In some cases, we caught our jan/san competitors asleep at the wheel," he explains. "We were able to introduce a new product and introduce savings. There are many worthy competitors and some have been selling jan/san for generations. But we are used to interacting with clients multiple times a week in office products. It's easier to raise our hand in new areas because there is a comfort level with our existing relationships. They trust us."

However, not all independent dealers that moved into the jan/san space thought it would be so easy. "We started selling jan/san about two and a half years ago—about six months before COVID-19," says Dave Siefring, president of Total Office Source, Cincinnati, Ohio. "We didn't know it, but it was good timing. A serious opportunity to sell to one customer is what forced our hand to explore the opportunity. We were hesitant at first, to be honest. We feared starting to sell and upsetting our customers by overpromising. We needed to know we could do it first. We had to be sure we had vendors and knew who our competition was. We asked a lot of questions. What should we stock? What are the most popular items? What are the price points?"

Yet Siefring also thinks the office supply industry has advantages over its traditional jan/san competitors: "The janitorial industry is very much behind in technology; its software is older. The vendors aren't in a hurry. With Essendant or S.P. Richards, you order today and get it tomorrow. With companies in the janitorial industry, like R.J. Schinner, it comes in Tuesdays and Fridays; you get deliveries twice a week. Everything is at a slower pace than in office products."

Carolina Business Supplies Inc., Charlotte, North Carolina, started focusing on janitorial products in 2018 and sales in the sector have grown from 5 or 10 percent to 25 percent. But the pandemic hurt the company's jan/san revenue—a seeming rarity.

"We decided jan/san was the way to go after larger customers and we were doing really well before COVID-19," says vice-president Randy Dixon. "COVID-19 set us back because our largest customers are commercial office spaces and they were empty."

Burt Reese, the company's sales manager, elaborates: "Our biggest sellers are paper products, but if people aren't in the buildings, they aren't using the restrooms."

Supply chain: for better or worse

"During COVID-19, it was easy for us to swing into PPE because the only thing we weren't already selling was masks," says Miller. But while pivoting the company's focus was straightforward, finding product during the peak of the supply chain crunch took some doing. "There were three of us sourcing supplies," he recalls. "We were getting gloves and wipes from Turkey. I was driving three hours to Hot Springs, Arkansas, going from store to store to buy all the supplies I could because most had limits on how many of these items you could buy. I'd go on the weekend and buy from five or six stores to send the backorders out on Monday. We were a lifesaver for a lot of companies."

Few dealers escaped supply chain troubles during the worst of the pandemic; and not all believe things have improved. "It is not getting any better," reports Whitlow. "I hope it will turn the corner by the fourth quarter, but the significant price increases aren't helping. Customers were used to inflation and price increases during the shortage, but they are starting to grumble more. Personally, I don't know if there are as many supply chain challenges now as there are price increases. I think too many are taking advantage and padding the coffers."

Puccinelli agrees: "The pandemic has affected everything and certain items remain challenging. But we are starting to see a slow improvement in inventory replenishment, with both wholesalers and manufacturers. I think there will remain an ebb and flow for the first part of 2022, but we'll see the global supply chain back to normal in the third and fourth quarters. I feel good »

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about the position we are in today; but six months from now, who knows?"

Siefring suggests supply chain issues have led to "long delays getting product. We used to call our vendor and get 95 percent of the order. Now we are increasing inventory. For potential new clients, you need to have product."

But McLeod for one is cautiously optimistic: "I think it is slowly getting better, but I'm afraid to jinx it. We try to be true to our primary partners, but to protect ourselves and our customers we have to buy from R.J. Schinner and through ISG."

Miller thinks that "the supply chain is already back in the swing of things, but the pricing is not stable. Materials cost more to source through wholesalers."

Up for the challenge

Most office products dealers have noticed differences between how the office products and jan/san industries do business and are trying to adjust accordingly.

"There's so much product variation," says Siefring. "Can liners in 0.3 milliliters and 0.5 milliliters; gloves in vinyl, nitrile or powder coated…With office products, there is much less variation."

And even the same product can have different price points. "When we sell can liners in the office products industry, the expectations are different from the jan/san market," he explains. "In office products, they are add-ons. Janitorial orders are larger and customers are more knowledgeable about them."

Delivery frequency also has required some adjustments. "We went from buying product and having it delivered next-day to buying and having it delivered in three weeks," continues Siefring. "We weren't stocking items, but it forced us to if we wanted to deliver complete orders the same day instead of delivering the office products and waiting three days to deliver the janitorial products. We had to learn about our customers' needs and start planning ahead. Now, I tell my higher-volume customers, 'We need to know what you need and how much, and we'll stock it.' Then, when they call and order, we're ready to send it tomorrow."

For Carolina Business Supplies, sourcing and order volume have likewise proved a challenge. "We are used to getting product from our wholesalers; but for janitorial, you have to shop different sources to compete against Office Depot and Staples," says Dixon. "It's hard to compete selling wholesaler brands, and we aren't going to reach the volumes required by chemical suppliers like Betco and Spartan. S.P. Richards carries Solaris and Solaris has bent over backward to help us."

According to Dixon, ISG has also been a tremendous help. "ISG's Frank Hoard is very knowledgeable and helped us a lot with getting product and answering questions," he says. "A lot of our jan/san comes from negotiated regional distribution center programs from S.P. Richards and Essendant, and ISG has been instrumental in helping with these. It's been a great resource."

Switching the sales pitch

Yuletide's Miller acknowledges: "It was harder for us to get into the janitorial manufacturers, being an office products company. So we hired a specialist, Allen Chapman, who had worked at Corporate Express. He had relationships with the manufacturers that helped us get in."

According to Miller, Chapman also helped convince his reps to get behind selling janitorial supplies. "At the very beginning, I asked how many wanted to sell jan/san and they all looked like, 'Help!' But Allen went with them on sales calls. That really helped."

Office Product Alliance's jan/san expert similarly inspired the company's outside sales reps to start selling jan/san. "They weren't confident about selling it until Vince came on board and was right there on sales calls to answer questions," Whitlow says. "But that's the same with office products: if you try to sell toner but aren't confident in what you know about the product, you can't sell it that well."

Puccinelli reports that securing rep buy-in has "not been that challenging. For our senior sales reps, it's more about having a little different conversation with customers."

At 1st Source, it was likewise a question of belief. "There was some reluctance from our reps—mostly »

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a function of being unfamiliar with the products on a meaningful level and a lack of confidence we could compete," explains McLeod. "They thought the competitors had it all sewn up. I told them, 'Don't give the competitors too much credit that they all have their house in order.' Once we started to get wins and began building our résumé, it gave them and me confidence."

Dixon acknowledges that some reps at Carolina Office Supplies have had difficulty shifting gears: "Some of our veteran reps don't understand janitorial products and they don't want to learn. It's a different language, a different buyer. There are so many variables in jan/san; it's not like buying a pen or a Sharpie."

Reese chimes in: "Randy challenged me to talk with customers. At first, I was hesitant, but he showed me the figures. I saw we were selling $6,000 to $7,000 in office products, compared to $30,000 in jan/san and packaging. As a quasi-commissioned salesperson, when I saw the dollar signs, it was enough for me."

Sizing up the competition

When it comes to the competition, tech giant Amazon does not seem to be a serious threat. "Amazon is not a factor in jan/san—not yet," says Siefring. "But you'd have to be crazy not to expect it to become a factor at some point because the company is in everything. And if it had a more aggressive sales force and was more focused on the commercial, that would hurt."

He goes on to suggest that what sets independent dealers apart is the same for both the jan/san and office supply industries. "We separate ourselves from Amazon and others with service and product knowledge," he explains. "We do face-to-face meetings with customers when we can, to build loyalty. Loyalty for any supplies is not as strong as it once was and Amazon is one reason why. People buy at home and take that same mindset to work. There are less people skills, no interaction; people seem to do everything by numbers. It takes some time to learn needs, but we hope the hard work pays off in a relationship. Face-to-face communication is becoming a lost art and I believe those who have mastered it will rise to the top."

Dixon thinks service is what keeps Amazon at bay: "Janitorial B2B is about service. You can have the right product and selection and be price competitive, but it is still about service. Staples does a good job of it; Amazon does not. Amazon will deliver product to the lobby. We take it to where customers want it; we put it in the supply closet."

Puccinelli also contends that Amazon is not as big a threat in jan/san as in office products. "We don't lose a ton of jan/san business to Amazon," he says. "It's more residential and not commercial. Plus, the big manufacturers in jan/san, such as GOJO and Kimberly-Clark, are very protective and don't sell through Amazon."

But that's not to say there aren't other major competitors in the field. "On the West Coast, the biggest competitors are WAXIE and Brady," he reveals.

Whitlow agrees there is competition, but sees a definite space for independent dealers in the market. "Amazon is a little bit of a competitor, »

but not much," he says. "It chases the onesies and twosies of residential orders. We do not. Staples and Office Depot are more into jan/san than office products and are competitors for larger accounts, but they don't work with the small to midsize accounts. And the independent jan/san dealers focus more on commercial cleaning customers."

In fact, the lack of Amazon competition is what motivated Carolina Office Supply to enter the jan/san marketplace. "Amazon sells some of the smaller soaps and some chemicals, but not much," explains Dixon. "We went after the market because Amazon wasn't there and its delivery isn't set up for it. A box of pens will fit in a van, but it's hard to get five cases of toilet paper in one. We have three or four different types of delivery vehicles to fit where we are delivering."

For McLeod, Amazon is the least of his competitive worries: "I distributed some in the past through Amazon's warehouse just so I would know how it operated and see how it affected B2B. It may be taking a bit out, but not enough to change what we are doing. Our biggest jan/san competitors are still the big boxes, like Staples and Office Depot; but also the Graingers of the world and regional powerhouses, like Tennant and Hillyard, which are good at what they do. For industrial, we compete with Uline. I have a lot of respect for that company."

Interestingly, for Reese, Uline spells opportunity. "If a customer is buying from Uline, which has higher prices, we know there is an opportunity for us to sell at a good margin," he says. "We come in with S.P. Richards, Solaris and others, and can be competitive. The customer gets more selection and good management, so it's a win-win. Also, we have found customers buying office products from Uline. We didn't know there was business slipping out the back door. Janitorial products have gotten us in the back door to see it."

Advice from the trenches

While most office product dealers have started selling some form of janitorial-related products, the dealers we interviewed have advice for suppliers that have not fully committed.

"Ask the questions," Puccinelli advises. "It's not as scary as it might seem, especially the way our industry is going. We pigeonholed ourselves into office products, but you have to realize Staples is the number one largest supplier of janitorial products."

Siefring echoes this: "Don't be scared; there's an opportunity out there—jump on it. It's not that hard. Ask questions; lean on your vendor sales reps."

Miller also favors a "go for it" attitude: "Jump in with both feet! You can't go halfway. Make mistakes, but learn from them. Get another notch in your belt."

"Getting into the jan/san market is easier than some," concludes McLeod. "But first of all, you have to have an appetite for diving into things. As they say, 'Don't let perfect become the enemy of good.' Otherwise, my advice, in no particular order, is to bolster your risk tolerance. You don't have to know it all. Start the conversation with your customer and find a way into the industry. Some independent dealers are killing it, better than me. But many are afraid of jeopardizing their other business. I never lost a penny by raising my hand and asking to talk about jan/san. Also, diversify your supply chain; be sure to have enough sources. Finally, be willing to invest. It's normally scary but especially now, when people are watching pennies from the pandemic. But invest now, so when things pick up, you are ready. Find the right people and get serious."

Lisa Veeck is associate editor of INDEPENDENT DEALER *magazine and the owner of Clean Communications, a full-service content-generating firm specializing in the office products, cleaning and maintenance, and healthcare fields. She can be reached at lisa@cleancommunications.biz or (773) 484-7412.*

THE LOOMING LIST PRICE CONUNDRUM

By Tom Buxton

A "conundrum" is defined by Google Dictionary as "A confusing and difficult problem or question."

Ladies and gentlemen, a conundrum is what is threatening the office solutions world right now. In the fourth quarter of 2021, both major wholesalers sent out notifications unlike anything I had ever seen. They both stated they would be raising their pricing and fees to their customers—your companies—above the increases they had received from their suppliers. It is possible that they have done this in the past; but at least to my knowledge, they had never made their margin improvement plans so public.

Please don't misunderstand my concerns about their actions. We need the wholesalers; and if they or anyone else significantly raises their prices, good for them—especially if they notify their dealers about the change in advance. If they need to do this to remain solvent and you can't negotiate a better deal with another vendor for the services they provide, it just becomes another cost of doing business.

Here is what I am concerned about: it is the question of what you can do to maintain your profitability when up to 15 percent of your margin dollars have disappeared. (We are figuring the percentage number based on the analysis of dealer cost increases that we have evaluated in the past few months. If prices go up over 2 percent in real dollars and your margin drops from 22 to 20 percent, that's a 10 percent drop in your profitability.)

The challenge is that dealers can be caught in what some of my data analyst friends call a "squeeze play." For the 34 years I have been part of the office solutions business, the difference between list price and a dealer's actual cost has been where profits can be made. A squeeze play occurs when the difference between list price and cost narrows to the point where it can become almost impossible to make money on some items. To illustrate, I will use an example from our industry that will prove that I really have been around a long, long (too long?) time.

With apologies to folks under 40, back in the era of "floppy disks" there was a company named Imation. Originally, it was very profitable and any dealer—even those that didn't buy products directly from it—could make money selling its diskettes. However, as the marketplace became more competitive and before it was purchased by the 3M company (and later disappeared), Imation tried to stay competitive by providing a very low list price while consistently raising prices for those companies that bought its products for resale. After a while, dealerships like mine could not afford to sell its products and make money if we didn't charge above the manufacturer's suggested retail price (MSRP). We made what we considered to be the moral choice and stopped buying or selling Imation rather than »

price its products above list.

My opinion of my actions has changed in the intervening years. It is now my belief that unless we rethink the concept of MSRP for certain product categories, the latest squeeze play highlighted by the wholesalers' letters and the unwillingness of some manufacturers to raise MSRP along with their prices will force us to lose too much money now and in the future. There are some products—like furniture and Hewlett Packard toner—where purchasing costs are determined by list price. But there are other entire categories of products where list price means nothing or next to nothing. We have been aware for years that some of our big box competitors create their own list prices for private label items that are higher than the list price of similar name brand products. That is ridiculous, but it enables a bidder to provide inflated percentages off the list price to win new business.

At the same time, many original equipment manufacturers have also decided not to raise their list prices in order to remain competitive against their rivals. But, just like Imation, they have increased their prices to vendors that buy their products for resale. In order to fight this trend, many companies—especially in Canada—have created their own list prices in a bid to maintain some sort of margin yield. However, that hasn't always worked either; as you will discover if you do some research into Canadian bids, which were often won at 85 to 90 percent off the list price until customers became frustrated with the game.

My goal up to this point has been to convince you that there is a problem that can damage or possibly destroy your profitability. So, what do I recommend you do about it? Here are some suggestions:

- Ignore list price unless there is a reasonable (15-35 percent) differential between what you pay for it and what you can sell it for. The good news is that list price is very hard to find—except, ironically, in some independent dealer catalogs and websites. And following on from this…
- Delete list price from all of your literature and catalogs. Staples has provided a catalog with no price for many years and from what I have heard, it received very little pushback about it.
- When you receive your monthly cost file from your wholesaler, ensure there are no products where the list is lower than your cost. If the list price is lower, contact the wholesaler or your margin services provider and be sure it is changed.
- If your enterprise resource planning system allows you to add a cost up filter for under cost items, make it at least cost +15 percent gross margin. Do you really want to sell anything below 15 percent without knowing about it?
- Consider stocking more products that you sell frequently from direct sources or in bulk from the wholesalers.
- When list price means something, like it does in furniture, be sure you understand it and price according to the cost you receive, not the number in your salesperson's head about what is a fair margin.

If you begin to rethink list price and your commitment to margin percent and dollars, 2022 could be a very profitable year for you and your company. There has never been a better time to raise prices or grow business, while providing the exemplary service that is the reason your customers buy from you in the first place. I couldn't be more excited about the possibilities for independent dealers to win business and raise margins than I am right now. You just need to grab the opportunity and make some small adjustments, which I will address next month. I wish all the best to you and your company in 2022.

In addition to serving as national sales manager for AOPD, Tom Buxton, founder and CEO of the InterBizGroup consulting organization, works with independent office products dealers to help increase sales and profitability. Tom is also the author of a book on effective business development, Dating the Gatekeeper. *For more information, visit www.interbizgroup.com.*

SALES MANAGERS: HOW TO HAVE MORE MEANINGFUL PIPELINE CONVERSATIONS WITH YOUR TEAM

By Marisa Pensa

As a sales manager, owner or vice president of sales, you have the power to coach your team. That includes establishing a coaching cadence where you regularly provide feedback that motivates your team to deliver results and create a consistent reorder pattern with your dealership for years to come, across a mix of categories.

This all starts with having meaningful conversations, especially about the pipeline.

As a sales leader, you are likely already having pipeline conversations with your team; but are those conversations as effective as they could be?

Being a sales leader means you're responsible for delivering crisp, candid and consistent communication. Especially when it comes to managing your team's performance and results.

If you want to improve your conversations, you need to start asking the right questions. Questions that will help your sales professionals stimulate self-analysis, create and commit to an improvement plan, and get opportunities that are "stuck" moving again.

To help you do that, we've identified two sets of questions you can use to create more meaningful pipeline conversations with your sales team.

The first set of questions is meant to help you assess your individual sales professionals on a high level.

As you read each of these questions, think about one sales professional you are actively coaching. Can you say "yes" to each of the four questions? Where do you see the bottleneck?

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3. **ACHIEVE:** ARE THEY IMPLEMENTING?
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»

Marisa Pensa CONTINUED FROM PAGE 44

Often, the answer is "kind of" to most of these questions. It's up to you as a leader to look in the mirror and make sure the answers to these questions are clear.

The second set of questions is geared toward helping your sales professionals with specific opportunities or accounts in their pipeline:

- When was the first appointment with this opportunity?
- When are you scheduled for your next meeting?
- Who are you talking to? Why that person?
- How has their business changed over the past two years?
- Who will be better at their job because of your solution?

Asking these questions will not only help you understand performance issues in your team, but also help your reps understand those issues for themselves and begin to develop the ability—and the motivation—to address them on their own.

You can help your team make the greatest impact by teaching them how to self-correct and self-diagnose their own pipeline, so you can see into the future more honestly. These questions are just another tool in your toolbox to help you do just that.

When you put these questions to use, you will be able to more effectively evaluate your team, encourage their professional growth and engage in more meaningful pipeline conversations.

Want more tips and strategies for coaching and selling? To download our 20 strategies for upping your telephone sales game please visit www.methodsnmotion.com.

Marisa Pensa is founder of Methods in Motion, a sales training company that helps dealers execute training concepts and create accountability to see both inside and outside sales initiatives through to success. For more information, please visit www.methodsnmotion.com.

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NEW BUSINESS DEVELOPMENT VERSUS SALES

By Ed Katz

As a former stockbroker with EF Hutton on Wall Street a lifetime ago, I learned how to "pitch" stocks to prospects. My stint at Hutton lasted only seven months (six months of intense sales training and one month on the job as a stockbroker), because I failed miserably as a telemarketer. And even though EF Hutton's advertising slogan at that time was "When EF Hutton talks, people listen!" when I spoke, prospects cursed and hung up on me!

Once I became a broker, I couldn't sleep at night and started losing my hair. To this day, if someone gave me a list of 100 prospects to call to pitch my IOMI online office moving training seminar, I'd go to lunch and never return. I'm terrible at cold calling—which is a big part of many new business development strategies. However, give me a product or a service I believe in, have the prospect contact me first by email or phone, and I can sell it and probably close the deal.

How can that be? What difference does it make who initiates the contact—the salesperson or the prospect? I discussed this with Larry Dillon, president and owner of Wendover and InsightPRM. Larry agreed with me that there is a huge difference between what most people refer to as "new business development" (aka telemarketing) and outside sales. A pure telemarketer typically loves telephone prospecting and "dialing for dollars," while a salesman like me often fears and hates it. Larry would know because his company is one of the most successful lead generation companies in the country and he talks to salespeople every day.

When I started my moving company, after hiring my first driver and two movers, I immediately hired a person to mine the leads I procured. She didn't mind calling a company "cold," telling them she understood they were moving and asking them if we could submit a bid. I did not contact them to set up an appointment until—and unless—she got them to the point where they were ready for an onsite estimate. I liked meeting with them, preparing an estimate and making a sales presentation. After the sale, it was she, not I, who followed up a week later to see if we got the job or to inquire if they had any questions.

After meeting thousands of salespeople over the past 40 years, I have found that most successful salespeople are just like me. If they're great at sales, they're weak at prospecting and cold calling. Conversely, most great telemarketers would flounder at in-person outside sales. Apparently, the two just have different psyches or personalities. That's probably why in today's sales environment, most successful companies have set up separate "inside" and "outside" sales teams.

Smart managers recognize the difference and place the right people in the right roles; if they force their salespeople to prospect and cold call, they'll probably lose a lot of business opportunities.

Another point that often is overlooked: if a salesperson spends a lot of time mining a lead—writing emails and making follow-up phone calls—and finally gets an appointment to meet with the prospect to submit a bid, they will probably be weak and want to give the store away because they're so emotionally involved. They »

know if they don't get the job, they'll have to go back and do what they loathe—"smile and dial" and mine more leads.

If, on the other hand, a separate telemarketer mines the leads, the salesperson is not as emotionally involved because they haven't been working the lead. And if the deal doesn't close, it doesn't matter because, thanks to the telemarketer, there is a pipeline full of other companies which are ready to be sold to (or at least to receive an estimate). In this example, the salesperson is typically strong and controls the customer.

Most successful new business development telemarketers follow this business model:

- Know what you're selling: If you're going to cold call, you must first master your knowledge of your product or service. So, for example, if your main revenue stream is derived from selling office furniture, you should learn as much as possible about your furniture brand(s). If you are an office mover, you should have a thorough understanding of not only your services, but also the factors that differentiate your company from its competitors.
- Be comfortable talking to strangers on the phone: To succeed, you must be at ease speaking on the phone with a lot of people each day. That means being upbeat, motivated, articulate, persuasive and persistent.
- Be able to handle rejection—a LOT of rejection: Master motivator and salesman Zig Ziglar once said, "A clear rejection is better than a fake promise." Often, you can learn something from "no" that will help you get closer to "yes", so don't fear rejection—embrace it! It's a normal part of a salesperson's job.
- Use a script: To make sure you stay on track, use a script to describe the features and benefits of your products or services. Write down exactly what to say to the prospect, what responses and objections you can anticipate, and what you'll say to overcome them. The script will help you to control the conversation and to sound confident; learn and practice it until it no longer sounds like you're reading it.
- Record your conversations: Get into the habit of recording your conversations if it's legal. If your state laws prohibit it, record just your side of the conversation. This enables you to identify what went right and wrong, and what you would change. Did you listen to the prospect and answer their questions, or did you talk over them?

What to say:

- Your first sentence should identify who you are and the reason for your call. At my moving company, I'd say, "My name is Ed Katz and I'm with Peachtree Movers. If you had to shift some furniture from one side of the floor to the other, who at your company would be responsible for contacting the mover? That's the person I'd like to talk to." Even if we knew the company was moving, we never said, "I understand you're moving and I'd like to talk to the person who is handling your move." To do so might start a firestorm if the company didn't want its employees to know it was moving.
- If your company sells office furniture, telephone systems, copiers or computers, you might say, "My name is _____ with [your company name]. If you needed to purchase more (or replace) [your company's product], who at your company would contact us? I'd like to talk to that person about a special offer we're running." You get the idea.
- Write down the top objections and what you can say to overcome them. For example, if they say, "We're not moving," you might ask, "Are you not moving because you're renewing your lease?" If they say, "Yes," you could reply, "Most landlords install new carpet when you renew and therefore, you might need to move to temporary vacant space within the building for 90 days while they refurbish your space. I'd like to meet with you to show you how we can minimize the disruption of your two moves."
- If they say they're not buying more office furniture or telephones, or replacing their copiers or computers, you might say the following: "If you ever found it necessary to get advice on this type of purchase, could I please be first in line to talk about your needs?" If they say, "Okay," you could add, "I'm just curious—what would need to happen for you to consider buying more (or replacing) [your product]? Okay, I'll keep in touch and call you again in a few months to see if your needs have changed." Listen to their answer and follow up on a regular basis, and offer them a "special" opportunity, incentive or discount.
- If you get a positive response, make an appointment for your outside salesperson to meet with them. Don't ask when they can meet with your "sales consultant." Instead, give the prospect two choices for a meeting—a morning and an afternoon on different days.

Bottom line: Whether your prospect is ready to move forward or wants to be left alone, be prepared to overcome their objections to enable you to keep their buying door and your relationship open.

To learn more about the International Office Moving Institute (IOMI®) and its online office moving training, please visit www.officemoves.com/training or contact Ed Katz on (404) 358-2172 or at edkatz@officemoves.com.

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