

DEPARTMENTS

industrial DISTRIBUTION



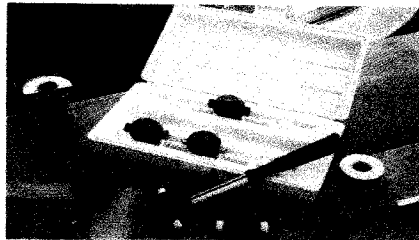
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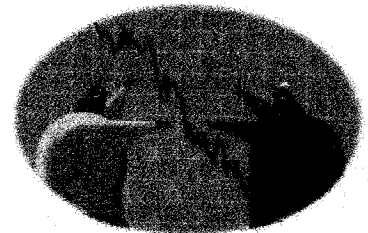
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LOOKING AHEAD

The countdown is on, just three months until ID features its annual Top 100 Distributors report. This is the only industry study that ranks the top 100 industrial distributors by sales volume. Get the inside scoop on the biggest players in the industry by turning to this feature in our June issue.

In July, we'll turn our attention to the smaller players in the industry with our annual *Special Report on Small Distributors*. What are the biggest challenges facing companies with less than \$15 million in annual sales? What should they be doing to differentiate themselves

in the marketplace? How can technology help? Turn to this report for answers to these and other important questions.

Looking to expand your product offering? Thinking about delving deeper into a product group you already represent? Look no further than ID's annual *Buyer's Guide* for a comprehensive listing of MRO product manufacturers. Each August, our *Buyer's Guide* features 50 pages of information on companies that make everything from abrasives to janitorial products to welding equipment. Don't miss this special feature.

Final WORD

Distribution's top ten

For small industrial distributors, personal commerce prevails over e-commerce

It seems like a hundred years ago all of us small industrial distributors were told either by our strategic suppliers or the print media that e-commerce would make us extinct in a few years. Everything we picked up was either a seminar flyer, a roundtable discussion sponsored by "industry experts," or magazine

articles about the dot-com revolution.

But what spooked us the most were the surveys our strategic suppliers asked us to fill out about our e-commerce capabilities and their decisions to sell direct over the Web since we could not. A lot of small industrial distributors were worried this New Economy would surely leave us behind.

Perhaps our customers were the most insightful during this "revolution." Meier Transmission did not have one customer tell us they would not do business with us until we had complete B2B capability. In fact, most of our customers still have not made the B2B investment.

Well, the recession may not have hit bottom yet but the first to bite the

This led me to compile my top ten reasons a small industrial distributor is still the most efficient supplier for the small to mid-market manufacturer.

10 - Voice communication. Talking through problems and solutions is faster than e-mail and provides instant feedback.

9 - Time, place and utility. This includes local stock, returns, training and repair services.

8 - Assortment. Multiple manufacturer lines achieve the best solutions and provide appropriate substitutions.

7 - Technical support. Distributors provide application engineering of bundled solutions, installation assistance and system optimization.

6 - Simplified shipping. Receive shipments from their distributor instead of multiple shipments purchased direct from multiple manufacturers.

5 - Negotiated pricing and credit. Distributors have flexible terms and conditions, carrying the costs between the time suppliers demand payment and customers' ability to pay. Dot-coms display the price for all buyers and take credit cards only.

4 - Reduced search costs. They tell us what they want and when they want it. We tell them what the cost alternatives are.

3 - Local. We cheer the same sports teams and live in the same weather.

2 - The customer feels comfortable. They talk to someone they can trust, who gets them what they

want, when they want it, for a fair price and will stand behind it if anything isn't right.

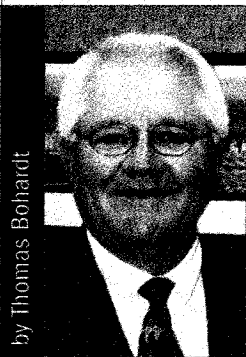
1 - Lower transaction costs Finally, imagine the additional costs in purchasing via the Internet: Some key customers purchase 90 products from 38 different manufacturers 350 times per year. They would have to spend time looking for the right manufacturer and products, create numerous purchase orders, and then purchase and delivery costs may be higher than the distributor provides. ■

Thomas F. Bohardt is president of Meier Transmission, Ltd., in Cleveland, Ohio.

Talking through problems and solutions is faster than e-mail and provides instant feedback.

dust were the dot-coms. Small industrial distributors know too much about products and customers to be replaced overnight by faceless impersonal machinery. When our manufacturing partners and our customers experienced the realities of the internet they found out that a person with the experience they need can be reached faster and more effectively by fax, business phone, cell phone or face-to-face.

It is my opinion that the most successful technologies improve us personally, rather than replace us personally. We found out in 2001 that customers still need personal attention.



by Thomas Bohardt