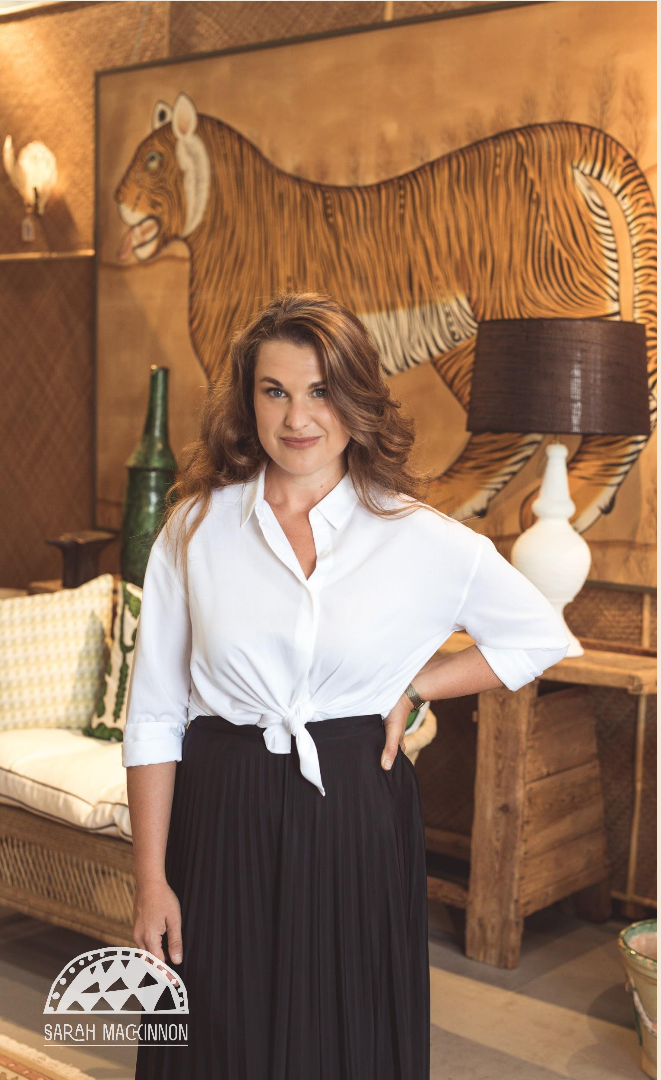
company X
Supplier Buying Process Research

SARAH MACKINNON



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B2B Buyer Enablement Content Strategy & Research

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Research Approach: Buyers

- 18 x 30-45 minute interviews with company X closed-lost and closed-won buyers

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Research Questions

- Which suppliers are buying? What are their needs/challenges?
- Why are they buying from us? What triggered their purchase?
- What features do they love? What features do they dream about?
- What are the highest-value challenges that company X solves?
- How much are suppliers willing to pay for company X?
- How can company X help suppliers work better with distributors?
- What advice would they give to other suppliers?
- How can we encourage distributors to become company X advocates with suppliers?

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Where We Started...

How much are suppliers willing to pay for company X?

...But how much are suppliers actually engaging with company X?

Where We're Going...

If suppliers had more good reasons to engage more with the platform...

More distributors will buy from them...

Suppliers will see more sales growth and ROI...

And reporting tools will help prove it.

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The Industry is Shifting

- Customer service shortage
- Hiring struggles for staff to tackle manual processes
- Production delays have led to narrowing of supply chain to focus on domestic partners
- Consolidation of suppliers' businesses through M&As
- More selling is happening virtually, post-COVID

“The biggest shift in the buying process over the last few years has been the timing.

Everything used to be built on last minute, “I need this three days ago,” quick turnarounds. I think people realize they need to get ahead of things earlier. And it's trickled all the way down to the end user.

The timing used to be fairly quick to go overseas, and they could get a slightly better price point right.

Now, that is completely evolved to dealing with domestic people because they don't want to have an 8-9 month lead time, they need inventory now.

So the inability to go overseas, the timing, and it's just the narrowing of the supply chain, I think that distributors are going to fewer suppliers, more trusted suppliers. And they don't have the time to mess around with “maybe over here, we can save a few dollars”. I think they're going to just really trusted partners.”

–Brian Porter, Senior VP of Sales and Marketing, Starline

“The next few years, it’s going to be a situation of winners and losers.

The ones that will adopt the technology will win. The ones that don't won't exist because any of the suppliers who do commit to it will advance themselves so much faster and further, nobody else will be able to keep up.

It's already impossible right now because companies can't hire enough people to service customers, to find enough production people to actually print the products. I just don't think there's even a question anymore about technology.”

- RJ Hagel, Global Marketing Director, Goldstar

“Buying is a very harried process because of the supply chain issues.

Everybody's hair is on fire.

It's amazing to me that in the two years that we've been going through this pandemic that suppliers have not prioritized live inventory, and aren’t connected to the platform.”

- Sandy Gonzalez, CEO, MadeToOrder

“As our business grows, we have to hire enough people to align all of the manual processes, and that's not sustainable.

It's understanding how we can get purchase orders faster, and then push information faster.

The rest of the world is struggling with hiring quality people.

I have a team in Tunisia, and we hire people in a couple of remote offices, and even there where they traditionally have done a lot of work, they are pushing back. Like, they don't want to do that basic stuff either.”

- RJ Hagel, Global Marketing Director, Goldstar

“Do we think that we'd have to put in more resources than possibly the ROI that we see that if we had plugged the same resources in somewhere else?

Yes. Those are kind of the hard pieces. Is there value? Yes. Are we maximizing it? No. Is that necessarily where we would put everything to maximize with how busy the industry is?

Like, it's great to say, “Hey, we are staffed up and we can take on all of this expanded piece,” but it's not the reality of how the industry is right now.”

- Brittany David, Chief Revenue Officer, SnugZ USA

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WHO ARE YOUR BUYERS?

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Buyers: The Basics

- Type: Mid-Large Suppliers
- Buyer titles: CEO, COO, VP Sales, VP Marketing and Sales CIO/CTO
- Size: $10MM-$1B
- Industry: Promotional Products
- Other Buyers Involved: General Manager, President, Head of IT

Buyer Psychographics

Our ideal buyers believe that:

- Technology integration and digital transformation is the path to scaling
- Supplier-side sales must be proactive instead of reactive
- Personal relationships with distributors and the broader promo products community are of the highest value

They are:

- Driving digital transformation in their commercial organization, often driven by growth mandates
- Running around with their hair on fire with process inefficiencies and industry changes
- Willing to experiment with a new platform, but only if it will help them grow
- Straight-shooters, no BS
- Integrating with PromoStandards

“We have a deep interest in ensuring that we are working closely with our most important digital partners because that's the way of the future.

We have a new website, we are integrating ordering through our website, working with PromoStandards to integrate our business that way alongside company X and other digital partners. We're constantly in an evolution or digital transformation.

Yeah, we’re a private equity company. We're a billion-dollar company so we have massive infrastructure supporting that, and supporting those initiatives, and definitely they're KPI-driven.”

“We're spending a lot of money on other things in the industry.

You guys are fast growing, and I see as being the future.

It's definitely worth it giving a shot.”

SARAH MACKINNON

“We don't just sit around waiting for orders. The way we come to market is very proactive.

Anything we spend money on, we look to be able to be proactive and develop leads. What are my people doing today? They are following up on repeat orders who were logged for the past couple of years. They're also following up on company X leads.”

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“We've always been growing at a considerable pace.

This type of stuff, internal tech developments, or process developments and the bandwidth to support it, have all been tied up in specific tasks to manage and support internal needs and business development needs.

We’ve been running around with our hair on fire, just getting things going, but most of that was getting our systems in place to support ordering.

For example, we're doing a lot of paper processes, making a more of a digital integration to make things more efficient.”

“We had doubled in size probably in the last decade.

So businesswise, we were adding product categories, products, and trying to develop and leverage relationships within the industry, but on a major growth trajectory.

SnugZ has always outpaced by at least double what the industry growth has been.

The industry was growing it 3-5%, we were growing it 10-12%.”

“When people want to push through things electronically, **if they don't have that ability to integrate all the way through with PromoStandards, I think it does limit them a little bit.”**

“We've acquired nine different companies since I've been here. So we were just in the process of doing another acquisition.”

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Saying Yes (or No) to the Platform

Early Perceptions of company X

- A 'nice little community' or a 'social network'

“She told me the fees that they were, we agreed on it, and that's how it started. I said "Show me what the system was," and you can see that that whole Facebook look/social media for distributors… it was gonna grow.”

“When we first met with Mark, really the biggest thing was just about social outreach and networking. And a lot of these other great things were in the works and coming.”

Early Perceptions of company X

“At that point, I didn't really have a good understanding who company X was. **I thought of it more as a social platform, a little community,** I think they've always had that strong community feeling. But I didn't really understand all the things that were happening behind that.

I really wasn't given the right education on what it was, how integrated they are. The sourcing platform, that's what I really wish I would have known. **I looked at it more as a social network than anything else and I didn't see the economic value.”**

Lack of Urgency

- Buyers ranged from being outright "resistant partners" at the beginning, to feeling "little urgency" but were open to experimenting.

"I don't know if there was an urgency per se. The relationship continued to blossom and honestly, I just think it happened over time."

"We were resistant partners in the beginning. We didn't necessarily feel like we needed company X and a few years back, we didn't love the process that they had for paying the rebate.

I don't think we ever felt urgent about it. I think we were kind of like, let's give it a try."

Lack of Urgency

“I wouldn't say it's like hugely urgent, because we've been playing with it since any other suppliers, since we were the kind of the first early testers of it.

We've probably had a bit of an advantage of understanding the program better than most. And I'd say, you know, now, as we build our systems, we definitely want to be sure that we're hitting all of the things that we need to, to best create those opportunities for buying.”

“Mark and Catherine reached out and said, “Hey, we're creating this awesome story. Do you want to be a piece of it?” And we said, like, “Heck yeah, what do you need?””

Buyer Goals

- Selling more to current customers
- Guerilla marketing/brand exposure
- Engaging with customers earlier
- Getting connected with the day-to-day projects customers are working on
- Processing orders without a human touching them
- Finding new customers

"It was really more of a guerilla marketing effort. We didn't have a lot of budget. I was the only marketing person.

So for me, it was what opportunities we could do to build relationships, because that was going to be the best and easiest way for us to grow our business."

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“We might have a relationship with a lot of customers…

but we may not be able to drill down into specifically what they're doing on a day-to-day.

What projects they're working on, are they including our products in their day-to-day processes, and being able to ask, why not? versus just managing relationship by name.”

“We already spend a lot of our time with our top tier accounts.

The way Alex works directly with the feed and builds out collections just expands our reach and gives us the ability to play where we might not be spending our daily time with customers.”

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“We increase revenue either by selling more product to our current customers, or by adding on new customers.

The prior is the one we focus on more, because I think that our current customers we have relationship with, we do feel that there's a lot of bandwidth towards expanding our relationship with them,

especially when we find that there's so many supply chain impediments involving a lot of their suppliers for other items.”

“We would rather sell more to current leads.
The industry has a limited number of distributors to focus on so there's a limited amount of time to focus on to make things profitable.”

SARAH MACKINNON

Buyer Challenges

- Order inaccuracy
- Customer service fields a number of questions about each order

“So a distributor on company X can send us an order and do we even have to touch it? It just goes into our systems, and there's a sync process that they're working on.

There's certainly an appeal without having human resources involved in processing orders.”

“Buying In” Hurdles & Opportunities

Hurdles:

- Most buyers didn't feel any pain points urgently enough to seek a new solution beyond their current alternatives.
    - It feels more like a “nice-to-have” rather than a “do-or-die” solution.
- Early perceptions of company X as an "online forum like Facebook" may make it hard for buyers to take it seriously it as a revenue-driving, business-critical tool.

Opportunity:

How can we reposition company X for suppliers as solving a do-or-die problem versus a nice -to-have solution?

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Alternatives

- Hiring cheap support staff to clean up POs (operational efficiency)
- Digital advertising social media campaigns (marketing)
- Advertising with ESP/SAGE (marketing)
- Working with buying groups (marketing)
- All of the above

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“We spend millions of dollars in marketing and advertising through social media.

We have printed advertising, we have email journeys that we create through our own platform, and we target them specifically. We have ways to target customers, specifically by industry, by product. There's a lot behind the scenes.”

“The reason why I went with the one percent is also because my price to write up orders in India is so low.

You know what I'm saying? It doesn't make sense. It's so inexpensive, and they work for us 24 hours a day.

I have a team in India that writes up the order. The next team QCs the order, because distributors love to send confusing orders. And then the next team creates the first proof, the next few checks proof, then it goes to the customer, and if they reject it, it goes right back to the department team to fix and then it keeps going on.”

On Hiring Cheap Support Staff:

“I love the costing perspective. But there’s the never-ending issue of just revolving doors and having to re-staff and train.

We're not as cyclical from a demand standpoint, we're kind of always busy. Holidays come and we're more busy.

Then we gotta throw more bodies, we got to get more trained. How many do we ramp up with? How many do we need? Do we need those same resources? Our third-party partners, how many bodies are they willing to throw at it for a three-month window? You know, there's a short little surge where we scratch our heads and pull our hair out at the same time.”

Evaluating the Solution

- A few did some ROI modelling (based on # and size of orders, transaction fees).
- Some confusion around the value.
- Most just jumped in as an experiment, based on trust they felt for the future of the platform.

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Budgeting

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Positive Pricing Sentiments

- Half of buyers shared positive sentiments that growth-based pricing model "makes sense", if grudgingly.

“We talked through how they had changed the policy, and to how it was based on growth.

The more that we grew with them, that was how they then earned that rebate bonus. And that made a lot more sense for us.”

“If my feet were held to the fire, I would say that it provides a lot more value from what you get out of it versus the costs

especially comparative to some of the other available marketing mediums within the industry.”

“Should we be paying transaction fees? I know that's been a struggle with other suppliers as well.

Because of the growth that we're seeing, and because of the integrations ultimately, we decided to go all in.

But we did have some pretty deep-dive, candid conversations for a while prior to going all in, because we just weren't sure.

We weren't sure whether it was fair….like, we’re integrated with other people and they don’t charge us the transaction fee. But I would say that it's been worth it.”

Negative/Neutral Pricing Sentiments

- **Half of buyers shared neutral or negative sentiments that basing pricing on a % of sales is hard to justify. Why?**
    - company X may not deserve full credit for the sale.
    - Unknown variables (existing rebates and order size) may make it even more expensive for suppliers to engage with certain distributors on company X.

“But as we've looked at it given the unknown cost to support it, we asked those specific questions to Catherine.

What do you do when you get a $50,000 order come through? You still pay that three plus percent?

We appreciate it but from a transactional cost, that's a lot just to process an order.

Just burning money that I can't support and validate for all those reasons.”

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“I had to tell him, you got to understand something, a lot of the people that you guys cater to are already part of a buying group and there's already a rebate set to them directly with us.

And now you're trying to put that on top of the distributor, who for the most part had no idea that the suppliers are paying a fee to you guys.

We're like under the lower tier, the 1% then jumping in to the higher one.

I think personally that it would be smarter to lead with that 1% and connect the other services because then you'd be able to grow, both on the supplier side and more. **I think without charging the full price to be fully connected would be beneficial for everybody.”**

“I don't know exactly what it is, whether it’s a transaction fee, or it's a percentage, or it's a rebate, or how it works. So part of discovery phase that we're gonna be working on.”

“I know that there's an initiative—we might be the last or one of the very few last—**they want to transition that model to 1% and that doesn’t make sense to us.”**

“They used to let suppliers have their stuff on there for free, and then they started charging us, and then they started charging us a whole lot more.

The idea is that we get billed based on value of our POs that are processed in company X. And ironically, if I chose not to pay company X, those distributors would still send those orders to me. Right? They're not generating that purchase order for me.

Because I've decided to pay them doesn't mean that I necessarily think there's commensurate value.

I'm going to have to grow just by being on the platform, and what Mark and Catherine is going to say is, “Oh, yeah, but we're gonna accomplish it through efficiencies.” Okay, maybe, maybe not. I don't know. But that value, that is what every supplier looks at when assessing whether to be a part of a buying group or not.”

Budgeting Tradeoffs

- **A few noted budget decreases on trade shows, although that was partially related to COVID.**

“Yes, we did have to give up some trade shows and some other smaller items to do it because it was more expensive. We did have a few tradeoffs.”

“As we moved away from trade shows, we've moved away from really spending any marketing dollars, and company X has remained because they have a captive audience.

They have done a very good job of curating other suppliers that are similar to us to be a part of the platform.”

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Budgeting Reference Points

- Some compared to the low cost of having cheap overseas labour to sort out orders.
- Others referenced that they are spending a boatload of money with buying groups (ASI, PPAI, etc).
- Just a few mentioned spending on digital marketing channels.
- Some drew a clear line between rebates and company X fee.

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Cheaper to Throw Man Power at Orders:

“From a cost perspective, they quote us percentages for those types of services.

And when we look at our average order size and those percentages, as painful as it is, it's still cheaper for us to have human resources push that order through.

As inefficient as it may be, throwing more bodies still costs less money. And I get the training–there's a cost to that- but frankly, we look at maybe using some third-party order entry solutions, and things like that, where we're paying a set transactional fee, not like an hourly human resources fee.

Pricing that they had passed along, was right in that 3% range. And so for us, it's like, “Hey, does that make sense?” And, candidly, right now, from a cost perspective, it doesn't, as efficient as it is, and as great as it is.”

Rebates NOT a Reference Point:

“Rebates get paid out of sales production. It actually gets handled on a different place than our actual marketing budget. I believe it's some kind of sales expense.

It depends on the situation. Paying somebody for something is different than giving a rebate for something, because their rebate is pinged back and the way you report it on your balance sheet is different because it's who owns the debt.”

Modelling ROI

- Many modelled potential ROI based on how many company X distributors they were already working with.
- Most spoke to the need to show growth in YoY sales, although the process through which they determine this is complicated and onerous.
- A few referenced operational efficiency and "making it easier for distributors to do business with them".
- The challenge of conversion attribution leads to a decent amount of platform skepticism for those who are investing heavily in other channels.
- Without a formalized way to present ROI, it's hard to articulate the value to senior leadership.

Too Many Unknown Variables To Model ROI:

“It's a little bit of the unknown… who's in company X platform today, and who's going to be in there tomorrow?

We don't really have control of who those are. The challenge when we try to calculate ROI with company X is like, who are they going to bring on tomorrow? Is it one of those members that we’re already partnered with?

So we're giving them as this incentive already, now we're also paying potentially X on top of it to process their orders. And so how do we control that?

We can't go back to them and say, “Oh, just kidding, we can't give you this incentive anymore because you're now part of company X.”

That becomes that becomes a mathematical problem and a concern for us.”

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"From the beginning, it's not as if we said, "show us your book of business and we're going to make a decision on whether we support you or not."

But a lot of it was that we wanted to support Mark and Catherine; it wasn't necessarily we're looking to make all this money off of it.

I'm not saying that all of it was goodwill – but there was a piece of it and we said, "We believe in you. We want to support you guys, we want to see you successful.""

Unsure of ROI But Willing to Take a Risk:

"At the time, we looked at how much business some of the folks were doing with us and we said, "Okay, here's a budget of what we think it's going to be."

But we also said, if it's more than this budget, it's only because it's growing more. My company is owned by a private equity, they love anything that relates to growth.

It was kind of like, "**this could be sunk costs, but we'll do it. And let's see exactly what the returns can be**" So, no, we wouldn't normally do it without really modelling ROI but we didn't just because of the time period."

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Operational Efficiency ROI:

“We can say that we're processing X amount of orders with company X. We're paying X amount in a transaction fee. If our growth is what we think it could be, maybe X percent, then we can look at it and say, all right, our processing fees are traditionally X amount.

And so if we can eliminate those, because we're more integrated with company X, and we're processing, let's say, 50% of their orders electronically, then we can go, alright, here's our savings and here's our efficiencies.

We don't have to deal with all of the nuances of an order that's emailed in and the colors missing and the art isn't right. That is a time and a cost that we can put a hard number to.”

Skeptical About New Business ROI:

“We do keep track of what amount of opportunities turn into orders, because we get a report on a monthly basis.

I do think that the information that's provided us allows us to get a lot of value out of it. Mostly just the fact that you're getting new business.

That could just be coincidental, a lot of times where we just get an order and someone happens to be on company X, that doesn't necessarily mean that the order originated because of interaction with company X.”

Complex and Onerous to Calculate ROI, Skeptical of Value:

“We will get reports of how much dollar spend is seen going through company X, and they have tons of data and are super transparent to where it's coming from.

We will go through and look at it account by account, but it takes a lot of time so this is not like a monthly practice, because it's just not worth it.

The money that they view is coming through the platform versus orders that we view, we would get anyway, regardless of what strategy we do, whether it's rebates, contracts, targeted mailing, relationships, outside sales, inside sales.

We do believe that there's value, but we also believe we could find other opportunities.

If we had decided to not be on the platform, we would find a way to either recapture that revenue within those accounts, or within other accounts for opportunities.”

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Modelling ROI Based on YoY Sales, Efficiency, New Customers:

"It's just kind of making case for ourselves that we can grow. So it's definitely a comparison of sales year over year.

There is a calculation that has to be made for the efficiency process, which is what we'll have to justify for our IT team. So if we're spending money, like on a rebate, I justify that with an ROI of sales. So in my mind, it's actually two requests out to two different teams.

I would be looking for a listing of all of the company X distributors, which I know we can get, and their sales with us, which I should be able to target once we identify all of our accounts and align them.

But then, it's up to us to grow the business. But we would be looking for "what are we getting out of it?" Some of it is going to be the technology support—they'll make it easier to pass orders through us. And by making it easier, it makes people want to do business with us."

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Are Margins Thin?

- **Some say yes, but those who are investing in growth are willing to reframe the investment (if they see ROI).**

"We've never really had a hard case of "can we get the budget?" "Can we get buy in?" We have a deep interest in ensuring that we are working closely with our most important digital partners because that's just the way of the future."

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“It's not because we have to put it somewhere else and we can't find this money.

It's truly an individual case, because I will make a case all day long and have tons of autonomy to be able to make those cases. It's just, is that where the spend should be?”

Thin Margins...

“We see a lot of consolidation because people are not really making money or they're not able to. So the margins have gotten really, really tight. With wages going up, everything became a logistics business.

And we know that Staples is asking you for a 10% rebate and you've got ten people want to use credit cards and other three, so to tack another 3.25% is just... you know?”

Biggest Questions & Objections

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Buyer Objections

- This is going to cost us a lot of money...do I really need this platform?
- Who is going to join the platform tomorrow? Will it be distributors we already work with (and will have to pay twice)?
- Once we have PromoStandards fully integrated, will that not fix these issues for the 20% of our customers from whom we get the most business?

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“I think everyone's so used to using ESP to use to set up your products and ESP and customers find them and

do I really need this other platform?”

“Once I got past the cost factor of it, because in our world I was already working with a lot of these people in some way, shape or form, right? For me, I'm conscious of our spend and in the relationships are already there.

Once we said “we're going in, we're gonna make this commitment,” then I started looking around and just the platform itself and all the tools that were there.

And then I really started getting excited about how that can help my sales team and how can they become more integrated.

Once we got past that initial question “Are we spending the right money in the right place and doing the right thing,” then all of a sudden, it really started to speed up.”

SARAH MACKINNON

Buyer Objections

- We wouldn't recommend company X to other suppliers because then we'd be competing with them for the same business.
- I don't need company X to reach my customers…we have already reached them.
- We are almost competing with company X for buyers…since they could place an order directly with us.
- Maybe they'll drum up the PO in company X, but they can just pull it out and email it to us. Either way, we will get the order.

SARAH MACKINNON

“Are we going to see the ROI?

At the end of the day, we're a $50-million dollar company, but we're also we're playing ball against billion-dollar companies. So for them to spend X amount is kind of a rounding error. For us to spend X amount is a solid commit.

That's probably the scariest thing for me: Are we going to see that return? That's probably the biggest risk factor, just from a financial standpoint, are we getting our value out of it?”

“Well, I probably wouldn't recommend somebody because then we'd be competing with them for that same business.”

- David Miller, President, NC Custom

“They're getting their PO drummed up in company X, but they're pulling it out, and then they're emailing it over to us. Either way, that order comes to us, it's still going to get to us.”

Growth Hurdles & Opportunities

Hurdles:
A few suppliers are reluctant to recommend company X to other suppliers, as they fear the competition. This presents a growth loop problem.

Opportunity:
How can you encourage suppliers to want to recommend their supplier friends (rather than feeling competitive)?

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The Value of company X

#1

Access to Top Distributors

- The majority of suppliers agree: company X opens up access to a group of high-performing, visionary distributors.
- A few recognize that company X facilitates ease of access, but had a number of these relationships before and doesn't credit company X for continued business.

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“The platform definitely gives us an opportunity to reach accounts that we wouldn't normally have connections to.”

“We're very tight with the top distributor performers across the nation, across North America. But this was a little bit different, like they brought in a whole different group of individual: very highs–high-performing people that we may be would have never had a chance to integrate with. From a sales and marketing standpoint, I saw this extreme value of being able to come together with this new group.

I don't think we understood how integrated this community was with company X, and how they use that as their search platform when they're going out and they're looking for specific products, how it's their first stop.”

SARAH MACKINNON

“The distributors that are part of the company X team are visionaries. Those are the people that I want to figure out, how do we service them better because they make the whole market better. The people that engage with their communities have the right kind of mindset that we're looking for.

They're doing a good job of guiding people towards suppliers they feel comfortable representing and I feel like they're doing the same thing for me, for distributors. I want to deal with people who are a little bit more educated and involved in the business. And so there's a level of professionalism that doesn't exist in every pocket in the market.”

“It's a very good community of distributors. We're able to spend money to take part in some of their events and present ourselves to a very, very good group of distributors. And who frankly, line up with who are our target audience. That's primarily why we are there.”

“They're driving a very particular type of customer who thinks a little bit different.

Those are the type of customers that are going to respond to a strategic account.”

“We feel that we have a lot of relationships within the company X platform that have existed for decades, or years.

If company X were to disappear, we're not going to retain 100% of it, but we feel that we get a lot of those opportunities from other places, and that some of those relationships are nurtured outside of the platform.

Where we see the value are the people that we didn't know who have come into the fold and currently, as we look at numbers, it's way more heavily weighted on the relationships that we currently believe we have.”

“Buying In” Hurdles & Opportunities

Hurdles:
Suppliers aren't fully aware that for top distributors, company X is their first-stop and preferred way of working with suppliers.

Opportunity:
How can we give suppliers more insight into distributor buying behaviour, and position company X as an essential first stop?

Recommendation:
Publish annual original research on distributor buying behaviour to inform suppliers that this is place to find high-quality distributors.

This is an opportunity to show how company X vs buying groups occupy a distinctive part of the distributor buying journey and mindset.

#2

Sales Growth

- Half of suppliers are seeing sales growth through new customers and greater sales volume.
- A few haven't seen the impact on sales that they thought they would, and are skeptical of what can be attributed to company X.

SARAH MACKINNON

"We're getting some great growth out of it. So yes, so far, I've been very pleased."

"Looking at PromoStandards, Connections, and new orders, I see how we've getting two to three new members a week, and how it increased from a year ago and it keeps going. And you guys are just getting started."

"The ultimate ROI for us is obviously growth.

We see higher order counts, which is the ultimate integration. That means that we're capturing more of their marketplace and mindshare.

That's gone through the roof. And then, we see the volume increase. We see it continue even through the last few years, which were very difficult for a lot of companies, we saw that continue to grow and continue to grow.

And I think it's because we were just incredibly forward facing. And we were strong partners there."

SARAH MACKINNON

“When they say “this is because of company X”…

They don't know, nor do they need to know, the behind-the-scenes work that we do specifically with some of those accounts, whether it's contracts, whether it's rebates, whether it's dedicated teams, or lots of other strategy that we've put into it. It's getting into the weeds to talk about that when they say this is because of company X…”

“Maybe $2.4, $2.5 million gets processed in POs through them. I don't know how much is attributable to us being in company X. I don't know how much we would have gotten regardless.

It's the old adage, half of all advertising works, you just don't know which half, right? So it's very difficult for you to pin down.

What I know is that when we put all of our products on, which was just in January, we didn't see a 20% increase in order count.”

SARAH MACKINNON

Growth Hurdles & Opportunities

Hurdles:
Measuring sales growth and ROI remains hard to parse out without a clear way to tie time spent in the platform to revenue generated.

Opportunity:

- How can you help deepen overall supplier engagement on the platform and help them get more sales results?
- What new ways can you offer suppliers to more deeply engage with distributors?

Recommendation:
Pre- and post- sales forecasting and reporting tools, to enable more relevant outreach.

#3

Community

- Pooling top distributors together into an online and offline community continues to get rave reviews from all, as a fun working zone, and a way to "boost status" as a supplier.

SARAH MACKINNON

“It's so easy to work with this community, and to be part of it. It's not a grind, it's actually almost a pleasure to reach out.

The community of distributors who are there trust company X so much that it automatically gives the supplier credibility with those we hadn't worked with before. Being a part of that community gives you almost a little bit of a boost in your status.”

“They believe they had this data-based thing, and what they really have is a great group of humans that are like-minded.

I've never had a price conversation with the company X distributor. It's always about the stuff. It's always about, “Hey, look, this is what I'm pitching. What do you think?” And that’s just it.”

SARAH MACKINNON

“I always enjoy staying close to customers and understand their needs.

It's a different atmosphere to network in a educational environment, or in a tradeshow environment.”

“company X is just more of a community-driven type of medium and I think that different opportunities arise in real time where we're able to add our products or suggest products for current opportunities.

The other mediums, whether it be ASI or SAGE or DistributorCentral, they don't really have that kind of aspect.”

SARAH MACKINNON

“That's why they're successful– their creative approach to bringing community together like-minded people.

If you go to their skucamp, or you go to skucon or their events, you have some of the regular people that continually show up.

It's an opportunity that they're pooling together these distributors in an event and you can really get to know those customers on a social and slightly business level through a common purpose.”

SARAH MACKINNON

#4

Operational Efficiencies

Suppliers broke down efficiency in different ways:

- Some cited the importance of making it easier for distributors to work with them (and for internal and external employees to communicate with customers).
- A few suppliers (and distributors) spoke to the benefit of jumping to the front of the line in light of inventory shortages.
- A few clarified that they still need to use human labour to sort out POs and that the "seamlessness" is more on the distributor side.

“How are we making this easier for customers? How are we making it easier for our team internally, our external reps to communicate with this base of customers?

Any solution that helps us utilize our efficiencies – so if that’s like I'm submitting a PO directly into our feed – it's just more efficient way of doing business.”

“We use the same labor to sort out company X POs.

Someone will send us literally a company X PO that says “red can holder” and we have about 12 red can holders. You know what I mean? Mark and Catherine would be like, “Oh, it's seamless.” And it is. It's just that it's seamless for the distributor, right?”

SARAH MACKINNON

“In the inventory situations where if they're using the platform the way that it's supposed to be used, and they're using PromoStandards, then they jumped to the front of the line.

They're not waiting in this long queue of 100 people that dropped their orders in starting at six in the morning, and they're dropping theirs in at six at night. Maybe that product is gone already. So there's a lot of efficiencies on the back end, and then us on the front end.”

#5

Leader in Category

- About half of suppliers feel that the company X platform is second-to-none from a technical standpoint, and as it grows, will become the only game in town.

SARAH MACKINNON

“I see you guys becoming the only game in town as it keeps growing.
In terms of being able to process orders, connect, create virtual presentation estimates, you guys definitely have the best system out there.”

“From a technical standpoint, honestly, they are one of the leaders on their side of the playing field.”

“I think they're a leader in technology in the industry. And so we are participating as much as we would like to. They are a way that we can accelerate our business through efficiencies of technology.”

SARAH MACKINNON

#6

Reporting

- Some heralded the benefits of company X's reporting which enables them to triage marketing and sales resources to high priority accounts.

SARAH MACKINNON

“I love the reporting. I'm a data nerd, I love analysis and looking at reporting. And so for me having that reporting that comes out monthly, that not only just tells me who's the top performers, or who was buying, but what categories are they buying? And what products are they buying? And what products are they not buying?

So for me, that really kind of sets them apart, I don't get that kind of reporting from the other folks like ESP and SAGE, you know, there's reporting there.”

“David sends me a report every month of those customers that have interest and it's pretty comprehensive. To me, that's a big thing, because I don't want to bore those customers or annoy those customers that I think we're sophisticated enough not to hound them, but at the very least, we want to do an outreach and say:

“Hey, we saw that you were looking at this, we saw that you had this interest and we're here to help you.””

“Regardless of distributor tier (how we segment our customers) it allows for us to understand where those buying decisions are happening.

With vertical, with which AE, with which customer, but also, if there are areas or groups of customers that are in our longtail that we don't really spend a lot of face-to-face time with, either our outside field reps or inside sales teams, what can that data tell us?

And how can we be more efficient in marketing to that group? Where we're going to put our resources… anything they can give us that would allow us to plan out how better we're going to assign resources, and people resources, that's super helpful.”

SARAH MACKINNON

#7

For New Suppliers

- A few recommended company X as a good fit for new suppliers with few connections, looking to make an impact quickly.

SARAH MACKINNON

“If you're a new supplier and you were coming to me and trying to figure out how to get your business started, I would say that the first place that I would start would be company X because they are a progressive group of distributors that truly understand how to service and sell end users.”

“If a supplier does not put a ton of ad spend into marketing dollars through ASI, through SAGE, they don't have tons of eyes everywhere, it is an amazing platform to get AEs interact directly with the sales people.

This is where they could make a major impact very quickly. They have all of these people at the tips of their finger, they don't have to get scans at trade shows to get leads, to figure out who customers are, they can see what's going on. Right then, I think that company X is absolutely brilliant for those people if they can utilize it.”

SARAH MACKINNON

#8

Supplier Promotion

- A few recognized the extra effort company X puts in to showcase products and highlight suppliers.

SARAH MACKINNON

“I really feel like they do a great job of showcasing the product and also making sure that suppliers are really highlighted.”

“We've gotten a lot of opportunities there to showcase our products. We've also previously sponsored a lot of their events. Even just by word of mouth, whether they have to, or they don't, but they decide to support the people that are supporting them. I know we get a lot of accolades that are word of mouth that we might not otherwise get.”

#9

Early Sales Engagement

- A few noted the benefits of interacting on day-to-day customer projects, ideating in the feed, and being able to send sales for direct follow-up.

SARAH MACKINNON

“So we get to put forth ideas to them if they're posting in the community. We’d hear through our customers, and some of them work directly with customer service. So having this opportunity through their feed gives us, again, that visibility where we wouldn't necessarily know that they're looking for products.

So definitely expands our reach in terms of our industry, because we do have the ones we focus on directly through our reps. But then this this platform gives us the opportunity to reach people we might not otherwise.”

“On a day in, day out basis, like I can go to the dashboard, and I can see John Smith is looking for this, this, this, and this, or maybe he already took our product and put it into a bid situation. So then my team can follow up. It's something that's unique at a different level that a lot of people don't have, is the visibility, which is to me, the most important thing.”

SARAH MACKINNON

#10

Brand Exposure

- A few spoke to the hard-to-measure value of seeing their products pop up more frequently in collections on the platform.
- Others considered the entire partnership with company X to be a valuable investment in positioning their brand with the right community.

SARAH MACKINNON

“We'll keep track of how often are we popping up, how often are we seeing Starline being dropped into a deck. It's hard to put a number to, but the value of developing the relationship, that's where we see the biggest growth opportunity.

It honestly just comes back to the fact that these relationships that we're developing –and are continuing to develop– and we see a return on that.”

SARAH MACKINNON

Value Compared to Buying Groups

- Some customers and prospects still loosely describe company X as a buying group.
- Others see that company X has a different ethos.
- Some suggest that company X incorporate some of the benefits of buying groups, like preferred supplier status.

SARAH MACKINNON

Recognizing that company X has a different ethos than buying groups:

“Where other groups, I feel like they're just profiting off their distributors, and they're profiting off the suppliers and then double dipping. It becomes obvious over time. But that also has to do with ownership.”

Referring to company X as a buying group:

“I'm going to have to grow just by being on the platform. And that value, that is what every supplier looks at when assessing whether to be a part of a buying group or not.”

SARAH MACKINNON

company X could adopt “preferred network” aspect of buying groups:

“The buying groups that we are part of set goals for their members to drive a certain percentage of their spend to that “preferred network.”

We work with them to say, “how do we build up those percentages?”

When our sales team goes in and wants a meeting, they take our phone call, and there's that relationship to just handle the business that way.

A lot of the areas that they (company X) fill are different and unique, in fairness to them.

I certainly wouldn't profess and say that they should look into like a buying group-type model. But just because those other things kind of solve those other issues.”

SARAH MACKINNON

Looking for distributor benchmarking data–like what they get from buying groups:

"From a technology standpoint and a competitive standpoint, there were very few other buying groups (I'm using this loosely as I describe company X, but they are definitely a buying group) offering a tech for the end-to-end solution.

Other buying groups provide us with benchmarking reports on distributors. You know, they do this much apparel, and this much in drinkware, and this much in this, and then we can compare it to what we see from our sales personally with them.

And we're like, oh, wow, they're a million-dollar distributor in drinkware and they do 20K with us. That's a big opportunity for us to target. And so we don't get that sort of stuff from company X, but not sure if that was something you'll ever be able to provide."

“There's tons of value in the buying group that we're a part of, but a lot of it is very operational or financially-driven.

With company X, we get a lot of value in the webinars they have that focus on sustainability in promotional products, and working with vendors that are trying to make the world a better place instead of just selling the product the cheapest, you know? So there's huge value in that.

I think the focus of a lot of buying groups is often so much on the dollar side of it, and less on the people side of it. And company X being much more people-focused is great.”

SARAH MACKINNON

How Suppliers are Using company X

SARAH MACKINNON

How Sales Is (or Isn’t) Using company X

- Some use company X as a tool for nurturing relationships with a larger volume of lower-tier customers who don't get dedicated face-to-face sales time.
- A few have built dashboards for regional territories and use it as a tool to decipher which targets to go after.
- A few see it as an opportunity for sales to take a more proactive role, rather than just reacting to projects and opportunities.

SARAH MACKINNON

Nurturing Relationships with a Higher Volume of Lower-Tier Customers:

“We spend a lot of our time with our top tier accounts. However, they're not so much in the platform, and they're interacting with us mostly directly through the sales reps or through myself. Whereas we have other accounts that are considered lower tier, because they don't buy from us a lot.

It's always been our strategy–and we've just refined it over the years to deal with our largest customers–from a scaling and time management standpoint.

That’s kind of sales 101, that if you've got the opportunity to address a great group of customers who represent significant revenue, why wouldn't you?”

SARAH MACKINNON

Determining Regional Targets with company X:

“For each one of my regional territories, I built out on their dashboard for all of the people within their geographic scope. What they're focused on is those people that they would traditionally have contact with, or visit with, or maybe, you know, set a meeting with.

It's really about helping us decipher from a strategic standpoint where our targets should be based on.

Based on our product, how much opportunities there are, how much are we doing now, how much are we not doing? Maybe selling to one person within an account, but there's 10 salespeople, like trying to get an idea of kind of what is our account penetration. Then we would leverage some of the tools we have in Salesforce and our marketing automation to kind of help segment that.”

SARAH MACKINNON

“No offense to company X, but I don't need them to reach the customer. I've already reached them. And that's just being transparent. We already know who the players are in the industry.

We already have the largest sales force, 99 sales reps on the ground, that their job is to reach the customer. And whether the customer is a member of company X or a member of another organization, we know who everybody is.

We already have feelers and touch points out with them. So I'm not trying to be rude to company X but we really can exist without them, you know, necessarily with them.”

Enabling sales to be proactive vs reactive:

"It kind of drifted towards having a sales function there, really to be more proactive and following up on stuff.

Whereas our team right now, and previously, these conversations were just trying to keep the head above water to react to projects and opportunities coming in."

"The ability to see that they're taking these five products, and they're pitching it to XYZ company, that allows me to come in there and be involved in the process. And maybe say, "Hey, this is a great product," or maybe, "I could steer you toward this, because we have deeper inventory."

We can really be involved from the front end versus just playing catch up on the back end.

Especially now with the supply chain the way that it is, we have somebody that will go in and say, "All right, we love this product, we're gonna pitch this product."

Well, maybe that product isn't coming in, we're not going to be able to fulfill their minimum and then it's not coming in for six to seven months. So if I would have known on the front end, I could have been a greater asset to them.

If I was talking to another supplier and saying, these are the reasons, that's a big one, being able to be involved from the green light."

SARAH MACKINNON

“I've heard that some dedicate somebody directly to manage company X.

They have a liaison that is only on company X all day long, so I guess that depends on what their salesforce looks like and how their plan of attack is from the outside or relationships.”

“We do assign accounts to different people internally and they are expected to all be on company X and to interact. In fact, we had a contest this month, and someone won.

It was based on closing company X opportunities.

We feel that company X gives us the right tools for inside sales and customer service to maximize their ability to be able to close on these opportunities.”

"Problem: I don't really have the time to go in and create the collections. And we've not bubbled up to the point where really have assigned some of these tasks to a group of people.

It's not feasible to have a lot of touch points inside company X as much as it probably makes sense. Our outside and inside sales team does not have the time to monitor the communication inside that organization. It's got to be more strategically aligned with my team, and how we want to manage the communication.

Solution: Bucket the platforms services please for me – then I could address how the time executing a strategy might be allocated to make more time to work 'the platform' .

The platform is made up of different services for the distributor to engage in. Some are high-touch, and some are low-touch for the supplier to participate in the community.

For example, if the community "I need help" feature was bringing more ROI for us, I could see allocating resources to monitoring it."

“Buying In” Hurdles & Opportunities

Hurdles:

- Anticipating sales growth and platform ROI is messy as it's based based on potential for **new customers**, which is largely dependent on how many existing relationships/rebates are in place prior to joining company X.
- Suppliers who get 80% of revenue from 20% of distributors see company X as a solution to scale relationships with the lower-tier sales priorities…but prefer to manage the lion's share of their business through more white-glove, personal relationships/channels.

Opportunity:
What new ways can you offer suppliers to more deeply engage with ALL distributors, not just outreach to new customers (whom they may or may not think they need)?

Recommendation:
Develop new ways for suppliers to scale re-engagement with current customers.

Examples: re-engagement campaigns, segmenting distributor groups for communications, etc.

SARAH MACKINNON

How Marketing Is (or Isn't) Using company X

- A few suppliers have assigned dedicated marketing resources to promote products, engage with distributors in the feed and generally try to expand their presence.
- These suppliers have reported higher levels of growth and ROI.

SARAH MACKINNON

"It would be great if there were more videos and more training on this is how you build a collection, and this is how you've put all the information in. So just so that we could keep sharing that with our marketing team, because we also had to get marketing excited about it, because initially they kind of saw it as extra work."

"In our collections, the way Alex works directly with the feed, it just expands our reach where we might not be spending our daily time with customers."

"We didn't initially understand how integrated this community was with company X, and how they use that as their search platform, how that's their first stop.

And so once I realized that this is where they're doing their sourcing, then I started working with my marketing team, we started building more collections, more frequently, we were trying to do as many webinars and participate in different things as possible."

SARAH MACKINNON

“Buying In” Hurdles & Opportunities

Hurdles:

- In general, staffing is a challenge and specifically, buyers are unsure how and who to assign to engage on company X--should it be sales or marketing?
- There is little attraction to company X as a one and done marketing solution, since it involves more dedicated resources and change management than other options.
- Engaging sales in company X as part of their daily customer communication process isn't part of every suppliers' commercial strategy and some can't justify the time spent.

Opportunity:

- How can you help suppliers over the hurdle of staffing the platform to ensure that they engage deeply and get the best results?
- How do we help sell the change management piece, particularly for very busy sales (and marketing) teams?

SARAH MACKINNON

"Buying In" Hurdles & Opportunities

Recommendations: Focus on empowering suppliers with strategies on incorporating the platform into their existing marketing and sales practices.

- Consider facilitating a user group to learn more about how suppliers are embedding company X in their sales and marketing practices.
- Based on these learnings, you could create and publish a new suppliers guide for using company X, including options for integration, implementation plan, best practices on how to assign internal resources to use company X, etc.
- Also consider developing more videos and training on how to build collections and upload information.

SARAH MACKINNON

Suppliers wish that company X …

SARAH MACKINNON

Would develop more robust reporting

- Provide more robust reporting (as buying groups do), including: **account executive-specific breakdowns, the volume that they are selling by vertical and event type** so the supplier can target new opportunities.
- Make it even easier to see **which potential distributors (and account executives) are interested in which products** so they can proactively reach out to them.
- Provide **pitch and conversion data on products,** and with what additional products they have been presented.

Would develop more robust reporting

- Aggregate and share **top-selling product data**, so they can see what's getting the most traction.
- Offer **more visual reporting (charts and graphs)** in the dashboard with customizable time periods.
- **Set the industry standard for reporting**, because they struggle with different formats from buying groups and distributors.

“I wish that company X reporting could become sort of the PromoStandards of reporting across the industry.

That would be very beneficial and very helpful because we get different reporting from everywhere else – from different distributors, from different buying groups, from different rebate groups. Nothing's the same.

So you have to kind of learn all these different platforms. I feel like the company X reporting is ideal, exactly what you want. So if we can make that standard across, that sort of that vehicle could be used for the distributors and the buying groups that would be very helpful to suppliers, for sure.”

“What type of activities led to what types of growth? Most of what I would attribute is just stuff that I know in my head that I see, and whenever I see company X distributors, I could look at some of their sales from three years ago versus two years ago. And I'm like, I could see that it's grown.
I don't have a way to really report that at the moment.”

“To get some aggregate visibility on what products, from what we've seen are our top sellers, that we could throw their way or where we're seeing more traction on some of our items. Specifically new products. We're getting a lot of quoting and attention coming from this network here, but that really doesn't give us visibility into whether this is gonna be a winner...other than just hearsay from those other numbers.”

- **Knowing where other suppliers sit with what type of product distributors are buying from them, and, you know, what vertical markets they're buying from other distributors**
    - Example: If we only have 25% in one vertical market, but another supplier has 75% then maybe marketing the right way to this group, or getting enough collateral out there.
    - Knowing the event types and the industry types that they're doing with the other suppliers so that we can make sure we're marketing the right way.

- **Anything AE-specific, any data we can get towards the account executives and what they're selling is always great for our teams to be able to target.**
    - Example: "You have a rep who does X amount with drinkware overall, and you know, they're 20th with us, but they're first for the industry in terms of company X."
    - That's another great way for our reps to target them to be like, "Oh, so you sell a lot of drinkware, but not a lot of ours."

"But any sort of data like that would definitely be utilized by our team to kind of target them more.

Their customers aren't just the distributors. The more valuable information you can give back to the suppliers around reporting and some of the behaviors of those customers, and how they communicate with the technology, it's super helpful for us because it allows us to build out our time and understand what categories we want to sell to, or what vertical markets."

SARAH MACKINNON

“I think that the real value of what they have is in the data.

What I would love is to know, all right, how many times has – we have a blanket, for example, a big puffy blanket that we sell, how many times are we presenting this puffy blanket? And how many times is that converting? Who's pitching every one of these blankets? I'd love to know what else is in that deck that's getting presented and price points.

Our blanket cost 65 bucks, but was this distributor pitching other blankets? Or was this distributor pitching 18 things, covering five different price points, and our blanket happened to be one of those price point kind of things? And then did an end-user pick another similarly-priced item?”

“Collections are such an important part of their platform, but we just don't get any data on how it's been used, or how often it's been used.

They put a lot of emphasis on the collections and how important they are to build, because customers use them. But I don't know if a collection I've made has ever been opened by a distributor. You don't see how many times it's been used, or how many times products from that collection have been taken out and put into presentations.

That sort of feel like, I'm building these collections, I'm spending all the time on it, but I don't know who sees it, who's using it, what it's being used for, how it's being used. Collections are such an important part of their platform, but we just don't get any data on how it's been used, or how often it's been used.”

“When we go into their dashboard I can see that XYZ is our number one rep for the month. I'd love to be able to click on that and be taken right to their profile.

And then it pulls up their profile and shows me, what are they selling from Starline? If I could do a deeper dive specific to me, that's important. If I can see right on their dash, maybe they're selling a lot of our coolers, but they're not selling any drinkware. Without me having to go into the backend of my system, if it was right there and visible, I can go in and I can see all that.

But for my reps, a lot of times, they don't have that ability to see that.

And so, if it was just more visible all the way around, that would help us to strategize more. What are we missing? How can we count on what they're doing? Are they not selling that? How can my marketing team maybe put things together to help us better do a deeper dive into those categories? So maybe just a little bit more visibility on the backend as well.”

SARAH MACKINNON

“For something called company X, I can't pull reporting based on SKUs.”

The ability to pull reports, both from the distributor side and the supplier side on SKUs, specifically. So how often something is pitched versus the conversion to sold? We can do that from an opportunity sale standpoint, when we're looking at our sales team, but from the supplier side. If I'm a supplier, and I'm on company X, having access to information on how often my products are being presented, or are included in opportunities and what the conversion to sales rate is, versus like, trends in my products, or how things are going that I can't necessarily see. If I'm integrated, are distributors actually using it? Or is it just something that we've, you know, spent all this time and money on?

It would enable them to tailor their growth with us. Anything that gives them more information on how to tailor their pitch to us is beneficial. So you know, even if it's a supplier that we've been working with for 15 years and we have a great relationship and we sell a good amount of their stuff, if they can come to me saying, “Hey, I noticed over the past six months, you've pitched less of our pens. What can we do to bring that back up?”

Certain times of year I have two or three weeks of almost back to back to back calls with vendors who are looking for that kind of feedback. And often, I can go and canvass our sales team, or I can canvass our production team, and the finance team and say, like, “Hey, I looked at our numbers, and it looks like we're doing less with this supplier.” But, why? I can't find any of that granular information in company X, and I don't think the supplier really can, either.

It's often just connecting dots and trying to find information that probably exists in company X, but you're not able to pull it all out in a way that you can meaningfully use it.”

“Buying In” Hurdles & Opportunities

Hurdles:
Nearly every supplier interviewed (and most distributors) shared a clear picture of how company X could become a more useful tool: with more robust forecasting and reporting. But it’s not quite there yet, and this affects how much money and resources they are willing to spend on the platform.

Opportunity:

- How can you help suppliers see the value in assigning marketing/sales resources to engage with the platform?
- How can you help suppliers generate more sales through the platform?

Recommendations:
Develop pre- and post- sales forecasting and reporting functionality into an impossible-to-live-without competitive advantage.

SARAH MACKINNON

Would offer more tools throughout the buying process

- Promote fully integrated suppliers to distributors, to narrow the competition and funnel more business to them.
- Help them re-engage and sell more to churned or past customers.

“Who are we going to sell more to that's in our current database who’s already doing business with us?

We have a system that we can export by category by order, by churn, who's bought in the last month, three months, six months, 12 months? How do we want to get those customers back? Is it email? Is it phone calls? Is it visits? Is it samples? Is it spec samples? Is it digging into the data we have for the customers that they were doing business with previously to see if they have those same customers, and if we could sell more?”

“How are we being identified as those distributors who are fully integrated? Just to what is being communicated to the company X distributors, or is it up to us to do it independently?

Maybe give an announcement through some sort of internal newsletter where it's like, “Hey, Goldstar is now fully integrated with us, orders can process,” because I think that is part of, if we can make it easier for everybody, we want to support knowing that they're supporting us and that we've committed and just being viewed as one of their preferred suppliers at that point.”

“If your competitors are on the platform, and that's where people's eyes are, then you know that the business is getting funneled to you unless they can't find something. So narrowing down competition, and making you one of few instead of one of many, definitely drives value.”

Growth Hurdles & Opportunities

Hurdles:
Suppliers would like to be treated as one of a few on the company X platform, gaining brand exposure, status and have more business formally funneled in their direction.

Opportunity:
How can you help suppliers get more sales from the platform to support an ongoing partnership?

Recommendations:
Consider developing a premium supplier plan as an incentive for fully integrated suppliers. Include:

- Recommendations on how their profiles are set up and updated
- Recommendations on staffing the platform for maximum engagement
- Tags for different certifications (B-corp, women-owned, etc)
- Promoting suppliers who are newly integrated

SARAH MACKINNON

Distributors wish that...

More suppliers would get fully integrated, as it makes it much easier to work together.

“If suppliers are asking, “What can we do to make it easier to buy from us?”, we'll say “Integrate with PromoStandards.”

It makes it so much easier for the sales team, which is going to make it easier to sell your products.

The biggest difference is felt on the production side because functionally, it cuts out a huge amount of emails and many different touchpoints that the production team is always trying to minimize back and forth, and it takes anywhere from like 5 to 20 emails, so it's huge.

Any suppliers that have that kind of full integration, I will put them in front of the sales team more, or I will find ways to remind the sales team about them more because it does increase that efficiency so much.”

“company X really hasn't had much of an impact on how we communicate with our suppliers, to be honest. I mean, we still call suppliers. We still have to check, you know, inventory on their sites.

There's only a few suppliers that actually have their inventory showing up in company X. But, you know, we don't trust anything. We have to go to the sites, we call the suppliers, we spend a lot of time having our team make those phone calls, especially now with all the supply chain issues.”

“I do like PromoStandards, the Connected suppliers, because we can pull order status, tracking directly into the system, which I love. I wish that more of them were using the e-PO or the e-purchase order feature, because there's only a couple.

And then I noticed that we took a step back with one of the larger suppliers–HitPromo–turned that feature off. And I don't know why. I think that had something to do with cost. And that's really, really disappointing.

HitPromo is one of our larger suppliers but I was using them more knowing that my orders were going to take precedence.

Before, by having that ePO feature turned on, I was getting my orders super fast from them. I was showing them more, knowing that my order was gonna go in, grab inventory, grab production time. And I was excited.

Right now, it's taking longer just to enter orders into the system and get them scheduled for production, and it's not good.

Has it affected the volume of business we do with them? It's made the business harder. And it's costing them more because it's creating emails with their internal people, their external people. It's costing everybody money and time. I don't know that the supplier would necessarily see the difference, because we're still emailing purchase orders. I think where it makes a difference is if they are Connected and we can get status and tracking.”

Suppliers would engage productively…not in an overwhelming, unhelpful way

“I've tried it (used the Collaborate function) once or twice and it was a nightmare for me because it invited too much.

Rather than someone responding to my specific request, I got hounded with a bunch of different stuff. When I went out to collaborate, it was when I had pretty much exhausted almost everything and then I was getting responses for stuff I didn't want or wasn't interested in. It didn't meet the criteria that I was putting out there, and then that takes up more of my time.”

“If say I post something up on company X, like, “Hey, I'm looking for this.” It's a rare occasion that a supplier comes in and shows me product and I can actually click on and say add it to a project. That almost never happens.

I first remember hearing about collaboration and my vision of it was “I'm going to reach out to suppliers”.

Then suppliers are going to respond, they're gonna give me product ideas.

I'm going to click, click, click, add into a project and send it off to my client without them doing all the work. The reality is it didn't happen consistently.

If you try to pinpoint suppliers to collaborate with, then you don't get enough ideas. If you try to go with broad strokes and send it out to all the suppliers that have the ability to collaborate, then you get a bunch of worthless suggestions from suppliers that are wasting your time.

I don't find there to be a ton of activity. Every once in a while we get a notification from a supplier that says, “hey, thank you for putting one of our products in a presentation,” so we know that some suppliers are actively looking and it's nice to see that when they do that, but that happens so infrequently. But yeah. We don't have much interaction with our suppliers at all.”

Contact information for supplier contacts was up-to-date and clear.

“We wouldn't sit and go try to communicate to an individual at a supply – you know, a supplier could have 25 people listed. Who you're going to ask? You can't sit there and email them about inventory and stuff like that.”

SARAH MACKINNON

“Sometimes there are some gaps in finding the right people at either company X or the suppliers to update profiles.

There's kind of this, like, backlog of old data that gets stuck and makes the profiles harder or the supplier pages harder to use functionally.

Some suppliers are on their game and use company X all the time so they're updating it and they understand when we asked. “Hey, you have 25 people listed under your sales team. And I know there's only two that still work there.””

company X would make it easier to refer suppliers to the platform (because they are already)

“I almost always mention to our suppliers that we use company X, and that we use it for order processing.”

“Sometimes it's hard to know who to direct them to, whether it should be PromoStandards directly or company X.”

“I have had at least three Zoom calls where I've done screen sharing with suppliers and shown them exactly how the software works on our end. So I'd like a commission, please.”

SARAH MACKINNON

Growth Hurdles & Opportunities

Hurdles:
Distributors and suppliers are unsure on how to recommend company X to each other--should they go via PromoStandards first?

Opportunity:
How can you make it easier for distributors to recommend company X to suppliers (and vice versa)?

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company X would develop functionality to enable suppliers to customize offerings to different tiers of distributors

"So if I go to a supplier page and I click on it, before I get the full page, there's a little summary of contacts and pricing and everything. If there any promotions, that'll show up there.

Being able to offer different promotions to different-tiered distributors, or reach specific distributors through company X without having to know all the right people at that distributor.

I know I'm gonna reach the sales team by putting it in this spot on a supplier profile, then pushing that out to specific distributors, for example: All new-to-company X distributors get this promotion or distributors that have 50 or more licenses get it..."

SARAH MACKINNON

company X would offer designations for B-corp, women-owned suppliers.

“We have mandates with some of our very large clients that a certain percentage of our spend every year has to be with certain type of designated company. Whether it's like B Corp, or women-owned, our sales from them might have to be minimum 5-10%, and we have to be able to prove it.

I have the ability to put a tag on a vendor profile that then everyone my team can search. But there's no obvious spot for it to be created by the supplier. So if I'm a supplier, and I really want everyone to know that I've put all this time and effort into becoming B Corp certified, then they can pitch that to their clients, because that's huge right now.”

SARAH MACKINNON

Questions?

If suppliers had more good reasons to engage more with the platform...

More distributors will buy from them...

Suppliers will see more sales growth and ROI...

And reporting tools will help prove it.

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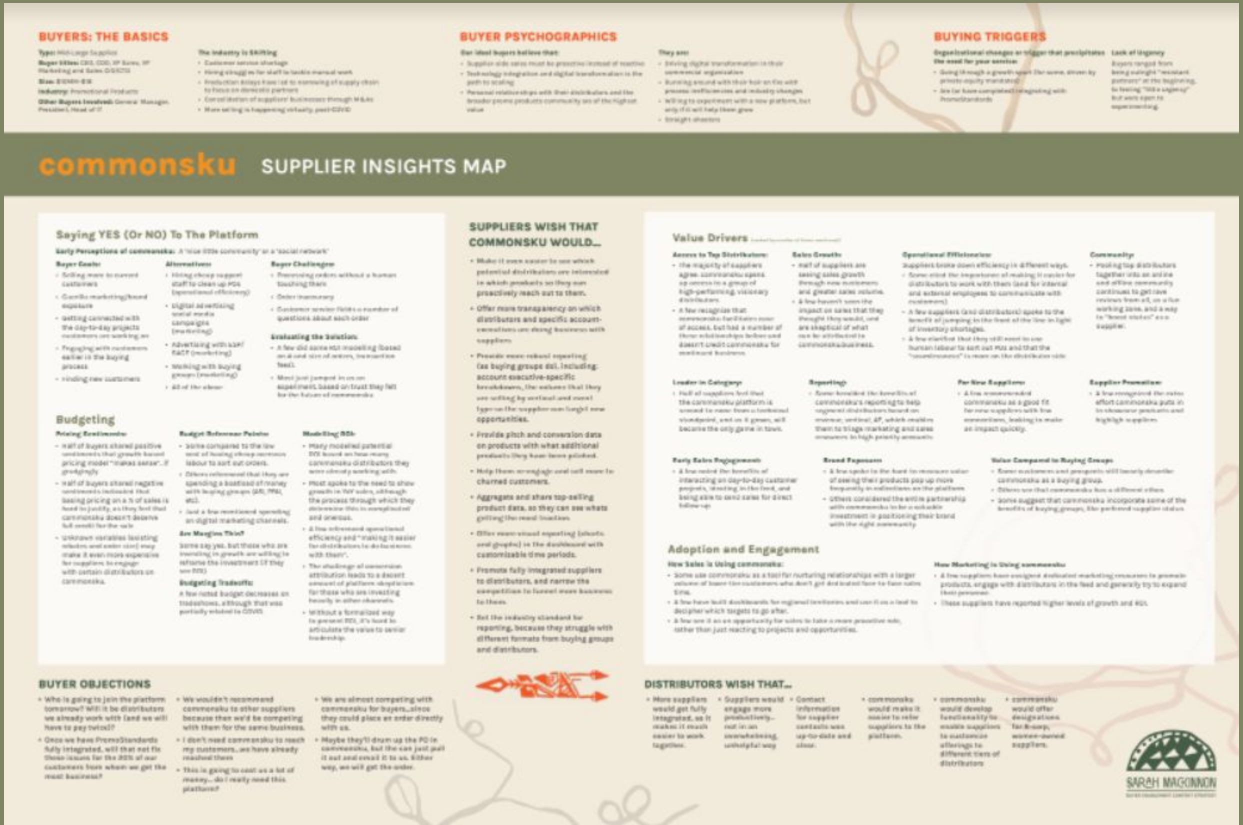
(The Summary Version)



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What’s Next?

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