

Case Study: Conversion of End-User Office Products Business through T.O.P.S. (Demandbridge)

October 19, 2007

**Presented by ISC and
Worrell Corporation**

Account History

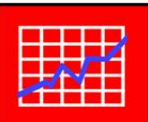
- Customer is a national financial company.
- Worrell had approached them through normal sales channels.
 - We presented to Marketing Management, not the Purchasing Agent.
- Worrell made our “Single Source” presentation.
 - Customer had a print provider and unwilling to change.
 - Using OfficeX but not happy with level of service provided.
 - Did not have a reliable Corporate Marketing Items.



How was Opportunity Created?

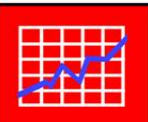
Demonstrated our on-line system.

- Integrated purchase order.
- Worrell made a proposal for providing office supplies and promotional products on single site.
- Our depth of product, on-line system ease of use and availability won the account.



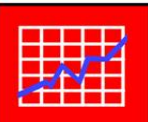
Challenges To Using T.O.P.S (and how to overcome)

- Set-up initially 70 offices (now 90).
- Train personnel from every office.
- Maintain on-going contact with the offices.
- Reporting and analysis.
- Over-all management of 10,000's of items



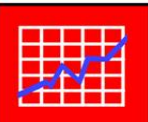
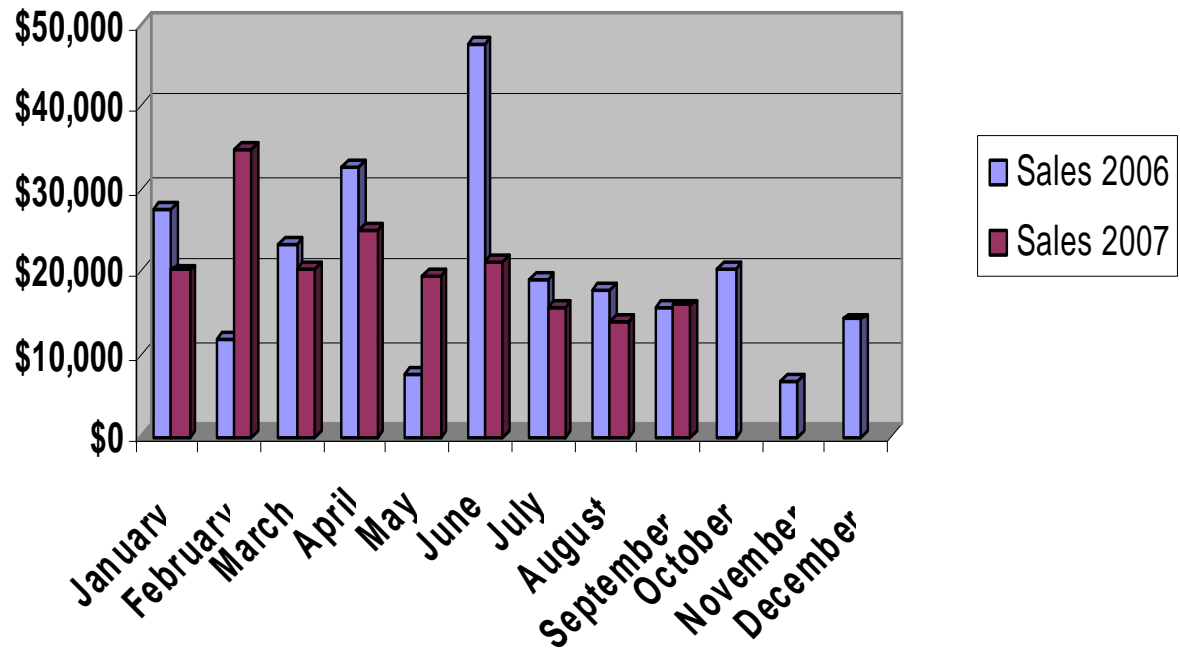
Challenges Using USSCO

- Understanding pricing model and programs (ISC was key to this.)
- USSCO furniture installation service.
 - Used a national network of contract installers. No real control or reliable communication
 - We decided to use our own installers nationally and keep better control.



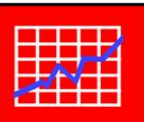
Monthly Purchases

End-User Monthly Purchases From Worrell



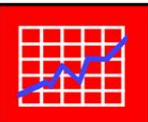
Current Account Profile

- They purchase
 - Corporate marketing items
 - Office products
 - Now purchasing majority of print from Worrell.
- Strategy to help promote internally is being discussed
- Overall margin on office products
 - 2006 was 29.7%
 - Running 25% in 2007
 - Less new office openings and less furniture which contributed to higher margins in '06



Additional Account Financials

- Account has generated \$74,684 GP\$ YTD on total sales of \$271,856
- \$40,751 from the business consumables category
 - 55% of account margin dollars come from business consumables
 - \$165,639 YTD sales (61% of total account revenue)



Spreadsheet Analysis To Determine Key Usage Items

Product Code	Product Description	Vendor	Contract Price	List Price	Worrell Product Code	12 Month Rolling Usage	Current DSC Price	Worrell Ext. Price	OfficeMax Ext. Price	Dollar Difference (Negative Favors Worrell)
N230002	MARKER,RD,F,PERM	SANFRD	\$6.60	\$15.00	SAN30002	240	\$0.69	\$ 165.60	\$ 132.00	\$33.60
N230001	MARKER,BK,F,PERM	SANFRD	\$6.60	\$15.00	SAN30001	162	\$0.69	\$ 111.78	\$ 89.10	\$22.68
H1SBS1914CP	STAPLES,CHISEL,5M/SX	BOSTCH	\$0.74	\$2.59	UNV79000	140	\$0.50	\$ 70.00	\$ 103.60	-\$33.60
F50M97187	FLDR,HNG,LTR,1/5TAB,25BX	EVERET	\$3.53	\$24.24	UNV14115	105	\$5.99	\$ 628.95	\$ 370.65	\$258.30
A2654YW	PAD,NOTE,YW,3X3	3M	\$8.80	\$19.80	UNV35668	86	\$5.49	\$ 472.14	\$ 756.80	-\$284.66
H40M97008	CLIP,BINDER,MED 12/BX	OFFICE	\$0.39	\$2.19	UNV10210	77	\$0.47	\$ 36.19	\$ 30.03	\$6.16
F10M97182	FOLDER,LTR,MLA,1/3,100BX	OFFICE	\$3.66	\$21.97	UNV12113	70	\$5.99	\$ 419.30	\$ 256.20	\$163.10
N230003	MARKER,BE,F,PERM	SANFRD	\$6.60	\$15.00	SAN30003	65	\$0.69	\$ 44.85	\$ 35.75	\$9.10
K629561	WASTEBASKET,RCTGL,MED,BK	ELDON	\$4.14	\$8.28	UNV29901	50	\$5.59	\$ 279.50	\$ 207.00	\$72.50
N50M97010	PENCIL,WOOO,#2,YW	POINTE	\$0.60	\$2.00	UNV55400	48	\$0.69	\$ 33.12	\$ 28.80	\$4.32
H40M97414	CLIP,BINDER,LARGE 12/BX	OFFICE	\$0.99	\$5.79	UNV10220	34	\$1.40	\$ 47.60	\$ 33.66	\$13.94
P20M97225	ENV,CLASP 9X12,100BX	OFFICE	\$6.50	\$23.30	UNV35264	34	\$6.49	\$ 220.66	\$ 221.00	-\$0.34
P363400	PADJEGAL,8.5X11,CA	TOPS	\$16.00	\$48.20	UNV10630	33	\$5.99	\$ 197.67	\$ 528.00	-\$330.33
P30M973D9	PAO,LEGAL RULE,CY,5X8 JR	TOPS	\$3.30	\$23.10	UNV46200	33	\$5.99	\$ 197.67	\$ 108.90	\$88.77
A8810P10K	TAPE,VALUEPACK,3/4",10PK	3M	\$21.38	\$33.45	UNV83410	30	\$5.79	\$ 173.70	\$ 641.40	-\$467.70
H40M99147	OMX JUM SMOOTH PAP CLP 10	OFFICE	\$3.29	\$13.24	UNV72220	27	\$0.59	\$ 15.93	\$ 88.83	-\$72.90
F50M97186	FLDR,HNG,LTR,1/3TAB,25BX	EVERET	\$3.53	\$26.75	UNV14113	25	\$7.59	\$ 189.75	\$ 88.25	\$101.50



Worrell Usage Analysis

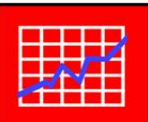
- Worrell found from analysis:
 - Customer purchased 585 line items during the last rolling 12 months from Worrell Corporation
- OfficeX contract listed 373 Items
 - Based on the Customer Usage Report from Worrell Corporation, only 37 line items matched up to the 373 Contracted Items from OfficeX
 - No usage on 336 items of the OfficeX Contract!



Procurement Costs: Presented in Business Review



Where are there further opportunities for Worrell to further reduce Customer's procurement cost for business consumables and services?



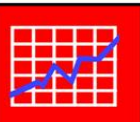
Internal Costs Affected by Procurement Processes

- *Finding the correct product for your use*
 - Is our website easy to use for finding new products that Customer requires?
- *Finding the correct vendor*
 - Is there an opportunity for Worrell to help consolidate more vendors through the model (reduces AP costs)?
 - JanSan, safety & security, food service, IT consumables (inks and toners)?
- *Pricing*
 - Is it easy to determine your pricing for your products from Worrell (less time with efficient site)?
- *Ordering*
 - Is our ordering process easy to use?
 - How would you like to see it improved?
 - What other products and services can be captured by our supply chain management model (integrated purchase order)?



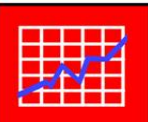
Internal Costs Affected by Procurement Processes

- *Receiving orders from Worrell*
 - How are orders received today at Customer?
 - Can we streamline that process?
- *Order Distribution within Customer*
 - How is this done today?
 - How can Worrell streamline this process today?
- *Invoicing*
 - Are Worrell invoices easy to reconcile?
 - What can we do to make this process easier?
 - Auto-reconciliation processes?
- *Paying and Budgeting process*
 - Can we make remittance process easier?
 - How can we provide you more data to help create a budget for 2008?

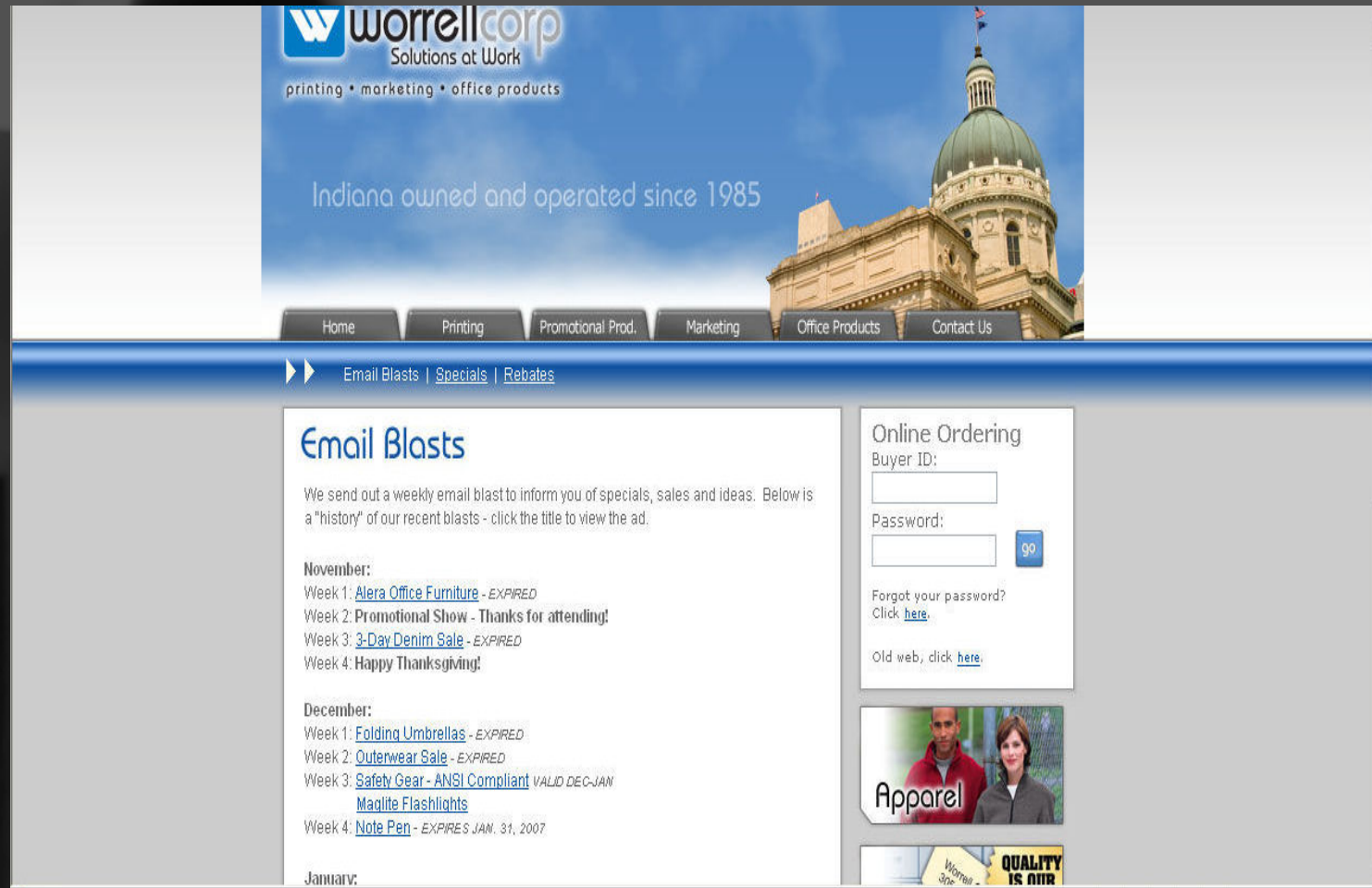


Business Review Action Items

- Partnership benefit: Worrell will realign pricing:
 - What other business consumables can be placed into this Supply Chain Management Model?
- End -user will be immediately added to the Worrell Customer Loyalty Program
 - Can we send you weekly emails for the new Customer Loyalty Program?
 - If you had a chance to define your own loyalty program what would you want to see?



Ability to Reference Email Blasts on Home Page



worrellcorp
Solutions at Work
printing • marketing • office products

Indiana owned and operated since 1985

Home | Printing | Promotional Prod. | Marketing | Office Products | Contact Us

▶▶ [Email Blasts](#) | [Specials](#) | [Rebates](#)

Email Blasts

We send out a weekly email blast to inform you of specials, sales and ideas. Below is a "history" of our recent blasts - click the title to view the ad.

November:
Week 1: [Alera Office Furniture](#) - EXPIRED
Week 2: [Promotional Show - Thanks for attending!](#)
Week 3: [3-Day Denim Sale](#) - EXPIRED
Week 4: [Happy Thanksgiving!](#)



December:
Week 1: [Folding Umbrellas](#) - EXPIRED
Week 2: [Outerwear Sale](#) - EXPIRED
Week 3: [Safety Gear - ANSI Compliant](#) VALID DEC-JAN
[Maglite Flashlights](#)
Week 4: [Note Pen](#) - EXPIRES JAN. 31, 2007

January:

Online Ordering
Buyer ID:

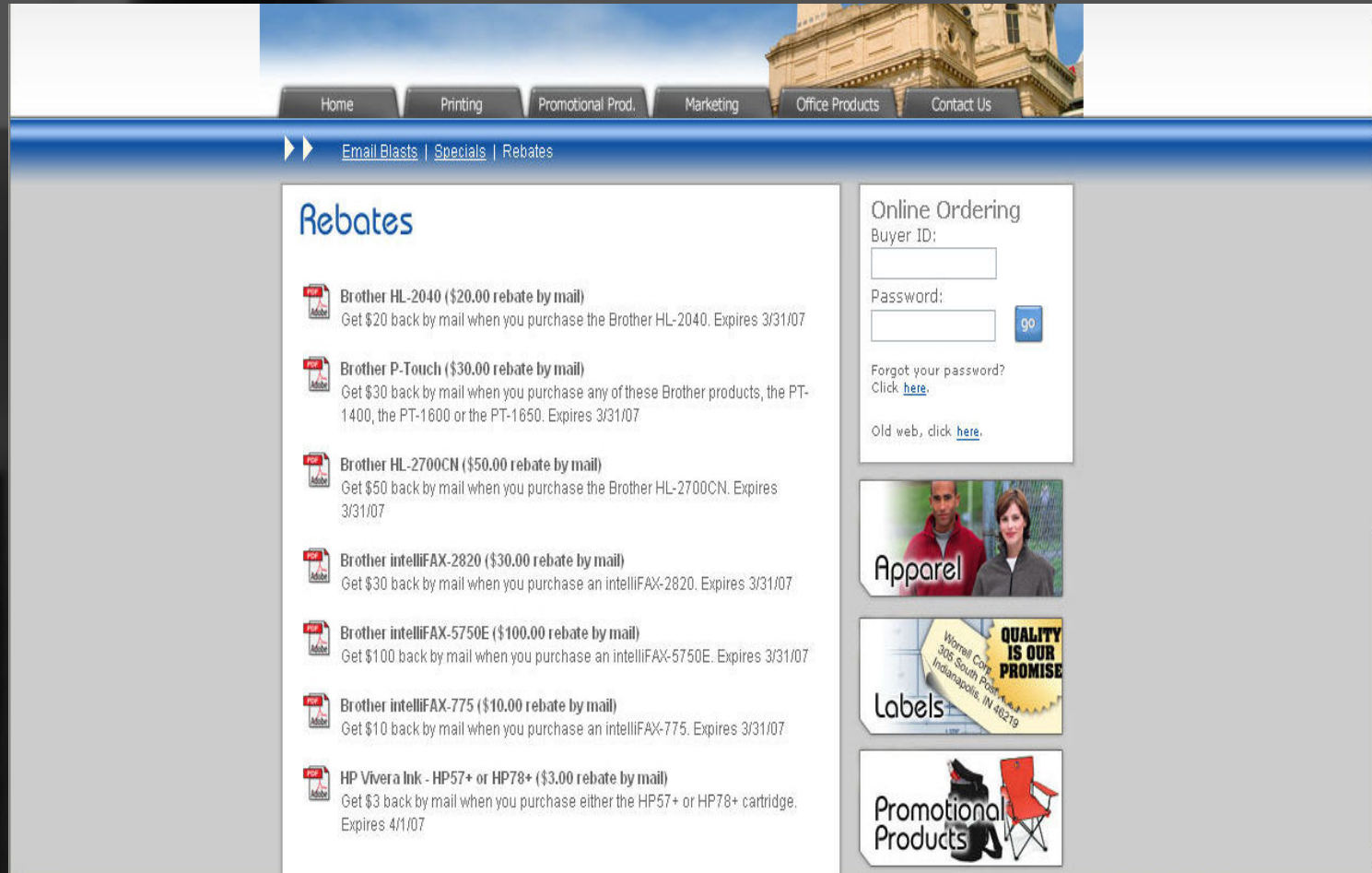
Password:

Forgot your password?
Click [here](#).
Old web, click [here](#).

Apparel

QUALITY IS OUR











Rebates and Specials Available on Home Page



Home | Printing | Promotional Prod. | Marketing | Office Products | Contact Us

[Email Blasts](#) | [Specials](#) | [Rebates](#)

Rebates

-  **Brother HL-2040 (\$20.00 rebate by mail)**
Get \$20 back by mail when you purchase the Brother HL-2040. Expires 3/31/07
-  **Brother P-Touch (\$30.00 rebate by mail)**
Get \$30 back by mail when you purchase any of these Brother products, the PT-1400, the PT-1600 or the PT-1650. Expires 3/31/07
-  **Brother HL-2700CN (\$50.00 rebate by mail)**
Get \$50 back by mail when you purchase the Brother HL-2700CN. Expires 3/31/07
-  **Brother IntelliFAX-2820 (\$30.00 rebate by mail)**
Get \$30 back by mail when you purchase an IntelliFAX-2820. Expires 3/31/07
-  **Brother IntelliFAX-5750E (\$100.00 rebate by mail)**
Get \$100 back by mail when you purchase an IntelliFAX-5750E. Expires 3/31/07
-  **Brother IntelliFAX-775 (\$10.00 rebate by mail)**
Get \$10 back by mail when you purchase an IntelliFAX-775. Expires 3/31/07
-  **HP Vivera Ink - HP57+ or HP78+ (\$3.00 rebate by mail)**
Get \$3 back by mail when you purchase either the HP57+ or HP78+ cartridge. Expires 4/1/07


Online Ordering

Buyer ID:


Password:

Forgot your password?
Click [here](#).

Old web, click [here](#).




Apparel



Labels

Worrell Corp.
305 South Post
Indianapolis, IN 46219


QUALITY IS OUR PROMISE



Promotional Products



Consolidated Purchase Order

POWERED BY:  Solutions at Work

[Search Menu](#) | [Reports Menu](#) |
 [Product Catalog](#) | [EC Promo](#) | [Office Products](#) | [Order Status](#) | [Shopping Cart](#) | [Logoff](#)

Search by Item Desc. 01/25/2007

Item Code	Description	Quantity	Unit	Total Quantity	Price EA	Line Total
851001	Cutsheet - Blank 20# White DP Paper	1	BOX/5,000	5,000	30.00	30.00 Delete
400090QA	Insulated Mug, 16 oz,Red w/white imprint	1	PKG/1	1	2.80	2.80 Delete
ACC39701	Bndr,Rng,11x8.5,.5in,Bk	1	EACH/1	1	2.94	2.94 Delete
Total does not include freight & tax. Total:						35.74

[Products Quick Entry](#) [Check Out Items](#)
[Continue Shopping](#) [Delete Order](#)

Shipping Information

ATTN:

Company:

Address:

PO Number:

Order

Comments:


Products Quick Entry

Item Code	Quantity
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

[Add to Order](#)



Adding Items to Favorites

POWERED BY:  **worrellcorp**
Solutions at Work

group

Category: Binders & Binding Supplies
 Section: Binders
 Detail: Select..

For frequent use; won't rip, crack or tear. [20 Each per carton.]

ACCO

BNDR,RNG,11X8.5,.5IN,BK
Item Code - ACC39701

ACCOHIDE® POLY ROUND RING BINDERS
FOR FREQUENT USE; WON'T RIP, CRACK OR TEAR. [20 EACH PER
CARTON.]
23 PT.
1/2" CAPACITY
BLACK

Unit of Measure: EACH
Catalog: 2.94

BNDR,RNG,11X8.5,.5IN,DBE
Item Code - ACC39702

ACCOHIDE® POLY ROUND RING BINDERS
FOR FREQUENT USE; WON'T RIP, CRACK OR TEAR. [20 EACH PER

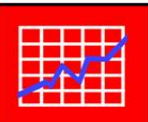
SHOPPING CART

Item Code	Description	Quantity	Unit	Unit Price	Extended Price	
851001	Cutsheet - Blank 20# White DP Paper	1	BOX/5,000			✕
400090QA	Insulated Mug, 16 oz,Red w/white imprint	1	PKG/1			✕
ACC39701	Bndr,Rng,11x8.5,.5in,Bk	1	EACH/1	2.94	2.94	✕
Order Total (OS):					2.94	

Sort Favorites by: [Item Description](#) / [Item Code](#)

FAVORITES

Item Code	Description	Quantity	
ACC39701	ACCOHIDE® Poly Round Ring Binders -- BNDR,RNG,11X8.5,.5IN,BK	<input type="text" value=""/>	✕
AMW97397	Belkin® Command Center Style Computer Workstation -- DESK,BELKIN,MPL	<input type="text" value=""/>	✕
BDY5901	Steel Security Check File Box -- DRAWER,CHECK STUB BOX GY	<input type="text" value=""/>	✕




Customized Corporate Advertising Items

POWERED BY: worrellcorp Solutions at Work

Shopping Cart Logoff

EC Promo

~ Dealer Services Corp / Drinkware Order Multiple Items at Once



Item Name: Insulated Travel Mug

Sizes: 16 Ounce (\$2.80) ▼

Colors: Red ▼

Quantity:

[Add to Order](#)

MISSION STATEMENT PRINTS
ON OPPOSITE SIDE OF MUG

Metallic Red 16 ounce Insulated Travel Mug

Your logo is printed on the front side with your mission statement on the reverse side making this a great, economical give-away! This mug has a large 16 ounce capacity with a lustrous, high-gloss exterior finish. The Double-Wall insulation keeps things hot or cold and the black, spill-resistant slider lid features a thumb-slide for easy opening/closing. This mug is top-rack dishwasher safe.



Summary

- Opportunity was created from an existing customer who was using other Worrell products and services
- Business reviews quarterly are very important
- Sales person successfully presented and converted sales volume from incumbent
- OfficeX counter proposal from holding company has been so far successfully thwarted
- Barriers within T.O.P.S. were overcome
- Recommend contracting own furniture distribution (better control)



Thank You!

For more information about this case study, please do not hesitate to contact David Pydlek from ISC @ dave@integratedsupplyconsultants.com / 614-747-1860

Or

Jim Worrell from Worrell Corporation @ jim.worrell@worrellcorp.com

