

Making safety pay

by John Gingrass

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As a percentage of overall sales, safety revenues remain a relatively small portion of the broad-line industrial distributor's revenue. However, now more than ever, end-users expect distributors to support this product category. With a solid plan and a concerted effort, committing resources toward building safety sales can make a significant contribution to your bottom line.



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So, what resources should a distributor consider? First and most important is the fortitude and commitment of senior management. Next, as with many lines, it requires a qualified individual to lead the effort. Determining the correct product mix and who and where to source these lines is often left to chance. Don't fail to plan in this area, as it can be the difference between success or failure. Lastly, proper funding of marketing initiatives will build awareness and support field sales.

With a commitment and the proper resources in place, here are a few thoughts on the benefits that selling safety can provide a distributor and its sales team.

In the emergency eyewash category, several manufacturers conduct a comprehensive no-obligation survey on behalf of their distributors. This allows the end-user to comply with OSHA-mandated obligations to test emergency eyewash equipment and also demonstrates added value from the supplier. Securing the order just happens to fall into place when you present the survey results.

From a sales perspective, positioning your company as one that helps reduce liability and workers' comp costs separates you from other distributors. Other benefits include building more contacts and gaining access into new areas of your customer's facility. New sales are sure to follow.

How can the typical industrial sales rep get comfortable selling safety? Learn the OSHA standards, one category at time.

In the case of emergency eyewash, the OSHA regulation is quite simple. "Where the eyes or body of any person may be exposed to injurious or corrosive materials, suitable facilities for quick drenching or flushing of the eyes and body shall be provided within the work area for immediate emergency use." (29 CFR 1910.151). ANSI guidelines stipulate eyewash units must be within 10 seconds of any hazard. Keep this regulation in mind as you are promoting cutting tools, abrasives or other MRO supplies.

The bottom line: selling safety products should be an important component of the overall basket of products a distributor sells. They can boost profitability and — by selecting the correct product categories — add value.

The age-old value vs. price debate

by John MacDonald, National Sales Manager, MAPA Professional

Let's start with a clear understanding of the difference between value vs. price. Value represents the benefits the customer receives, while price is simply the monetary cost of a product or service.

When manufacturers or distributors are evaluated based only on the price they charge for delivery of their products or services, those who provide additional value are at a disadvantage. Yet, in most instances, the differences in price are so minute, it makes us wonder who benefits, who is the real winner. Buyers must realize that the product or service they bring to the marketplace is only as strong as their weakest supplier. If profit is constantly pounded out of a vendor's product, that vendor may not be around to be part of a customer's team tomorrow.

Buyers are under increasing pressure to use their suppliers to improve bottom-line performance, but they need to evaluate more than price; they must analyze what they receive for what they are spending. The term "value added" means very simply that not every product or service is priced where you can still eliminate 10 to 15 percent. There is value in research and development, product testing, maintaining inventory, training, service commitment, technical support and personnel to aid in problem solving. A buyer must look at all these aspects when making a decision on a product or service. Would that buyer award his/her next hair cut to the lowest bidder?

While buyers have an obligation to look at all aspects of a vendor's offering, the vendor has an obligation to provide value beyond the product itself. A vendor must be willing to get to know and understand a customer's business. A supplier who doesn't know his/her customer's long- and short-term performance direction and goals is reduced to a reactive supplier position. A reactive supplier does not provide value to the ongoing progress of the buyer's business.

Developing new value in an ongoing vendor/buyer relationship is paramount to counter the competitive nature of business today. It is not a new concept but one that has to be constantly revised as markets evolve.

Both the buyer and vendor need to recognize that a product has a raw, stripped-down price and a fully loaded value. It is up to both to see which is the best fit for the customer. By demonstrating the main benefit we provide is not a low price, but rather a solution to a customer's problem, we give the customer a priceless opportunity.



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