

Strength In *Numbers*

How does your distributor's buying group benefit you?

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Have you ever wondered how your supplier's buying group affiliation benefits you and your business?

Do you even know if your local distributor is in a buying group?

In order to fully understand the benefits, you need to know what to look for in your distributor's buying group affiliation and how it supports your business.

In our current JanSan climate, it would be difficult to find a distributor who is able to meet the demands of today's end user without being asso-

ciated with a group purchasing organization (GPO) or buying group.

In fact, the list of GPO's distributor members is literally a "who's who" of the most dynamic, innovative and supportive distributors in business today.

Across all GPO structures, there are common denominators that benefit the distributor's customers.

All GPOs, no matter the structure of the group, have solid relationships with the manufacturers.



By leveraging the power of communal purchasing, distributors who are members of buying groups can usually offer lower prices than their independent competitors.

for more info

Visit www.cmmonline.com and type in search keyword: **Distributor**.

For more information on related products, visit www.cmmonline.com, select SUPPLIER SEARCH from the main navigation bar, and enter keyword: **Buying Group**.

They leverage their purchasing power with other distributor members to offer a margin differential that does make a bottom line difference in your operational budget.

This provides you with competitive pricing along with the advantage of having a local provider who knows you and understands your challenges.

The closer the relationship the distributor has to the manufacturer, the better, as it can translate into additional benefits for you.

As an example, you can have access to a greater amount of manufacturer training and informational opportunities.

The key to gaining an advantage for your business is to align yourself with a distributor who belongs to a GPO that is structured to most benefit you and your needs.

Knowing the various GPO organizational structures will help you determine the best partnership for your growth.

Private Label Driven

Some buying groups derive the bulk of their income from their own branded labels, so their focus is on the GPO's "equity" or private label product.

It is important for you to make sure your individual facility needs are the priority for product placement and not the needs of the servicing distributor to sell a given product line.

Similar to the retail clerk who pushes one label over another because there is a perk for the sale, a GPO member might be more interested in selling the buying group's brand than the product that best fits your needs.

If you have any questions about a good fit, research the performance and pricing of the private label GPO product and how it stacks up against other options.

National/International Account Driven

Some GPOs are focused on large-scale national and international distribution models.

These groups often offer both a private label product and a national footprint for distribution to multi-state accounts.

The distributors involved with these types of GPOs are typically quite large with multiple locations.

If you want a supplier who is more rooted in your area, is more hands-on and is always available when questions or problems arise, make sure you are satisfied with the mechanism the distributor has in place to provide immediate and personal service.

Rebate Driven

GPOs with business models that are solely driven by rebates are laser focused on creating advantageous pricing and rebates for their distributor members.

If service-oriented factors are important to you, such as onsite training and personal service, make sure you evaluate the distributor's ability to meet those needs.

You can get an idea by visiting the distributor's website, but also reach out and have a conversation with him or her about their full range of resources.

Supplier+Distributor Partnership Driven

GPOs that exist to create partnerships between suppliers and distributors provide distributors a pricing advantage based on the sheer volume that is generated by the group.

This relationship directly results in a reduced final cost for the end user.

Because there is no equity brand to support and no reliance on a national footprint, the distributor is free to offer "best solutions" to its customers on an individual needs basis.

Most will agree that distributors belonging to supplier+distributor models are owner-operated.

The principals in the business seek out innovation and are quite often early adopters of the newest products and cleaning technologies.

They have roots in the communities they serve, are invested in the local economy and are highly attuned to reducing time and labor costs for the benefit of their customers.

Look to a supplier+distributor GPO to heavily support its distributor members with value-added tools that provide better communication to keep you abreast of new products, training tools and various support materials.

GPOs are now providing distributor members the means to communicate more effectively with their customers by offering

access to tools such as e-Newsletters and informational videos.

Questions To Ask

There is no substitute for engaging in your own research, and with a wealth of content at our fingertips, it is easy to find out about various GPOs.

Start by visiting your distributor's buying group website and get a feel for the organization and its business model.

Does the group offer a private label brand; what is the product line; do you see access



A basic website search will help you determine whether or not your distributor's buying group will provide any benefit to your organization.

to training videos, manufacturer information or materials to answer usage questions?

On the GPO website, is there a focus on rebates and pricing; are there business-building aspects to the group that can benefit you in the long run?

Overall, what is your impression of the buying group; how do the vendors in the group align with your current needs and those you may have in the future?

Lastly, know who you are doing business with: Have a conversation with your distributor about how membership in the GPO benefits you.

Ultimately, the most important relationship is the one you have with your local supplier and how they respond to you and your business needs.

Do your research, and then reach out and talk to the owner of your local distributorship.

It is a call that is always welcome. *CM*