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INDUSTRY TRENDS, NEWS AND EVENTS FOR ISSA MEMBERS

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## Are You Neglecting Potential Revenue Sources?

by Ralph Bianculli

In the competitive janitor industry, diversification can be critical to growth. And these days, being diverse means more than just offering a wide range of cleaning products and systems. To gain a real competitive edge, you need to take a broader approach to meeting the needs of your customers.

For many of you, the answer just might be in other areas of the facility. For instance, the break room category—including paper and plastic cups and plates, plastic cutlery, snacks, straws, lids, and stirrers—is a multi-billion dollar industry which represents a great opportunity for you to extend services to your existing customers. Another way to add value is by getting into the mail room by offering packaging and shipping supplies, such as corrugated boxes, tapes and films, protective packaging, and stretch-wrapping systems.

Yet while your customers are often involved in the specification and decision-making process for break room and packaging products, you may be reluctant to stray from their core competency and take a leap into these categories. This point is even more puzzling when you consider that it is three times more cost-effective to sell additional products to existing customers than to seek out new ones. At the very least, adding break room and packaging products provides more ways to strengthen your existing customer relationships.

As is the case with any new venture, entering these new categories will require an investment of time and monetary resources. However, the investment is minimal when you consider the rewards—both in terms of customer satisfaction and increased margins. So the real question should be how to minimize the risks associated with entering these new areas and move quickly to the rewards?

### Four Simple Steps for Success

1. Commit to being a single-source provider. Most buyers are open to having one supplier that can meet all their cleaning product, break room, and packaging needs. In many cases, they just haven't been approached about making the transition. Before reaching out to customers, however, your organization needs to make a commitment to diversifying its offerings. This doesn't just mean adding inventory; it requires an investment in training and a dedication toward building a strong base of knowledge on the new categories being added.

2. Evaluate organizational and customer needs. The key to successful penetration into these new categories is the implementation of a multi-step process that emphasizes your organization's strengths yet addresses the overall facilities requirements of your customers. Begin the process with market research. Take inventory of the competition and closely

scrutinize the items being added to your product mix. Survey your customers to better understand their break room and packaging requirements and then determine which products best complement your current offerings. Consider products that not only fit customer profiles, but also have the right price points.

3. Identify current trends that support customer initiatives. Many of today's facility managers, looking to uphold environmentally responsible corporate images, are seeking out "green" products for break rooms and packaging needs.

The break room environment is one of the most used areas, yet it is deficient in communicating alternative products and green solutions for the work space. An average office of 50 employees will drink 75-100 cups of coffee per day. By utilizing a foam-cup recycling program or by using paperboard cups, a 100 percent reduction in rotatable energy can be realized. And bringing in napkins, towels, and other paper goods with high (50 percent or better) post-consumer content greatly reduces the usage of virgin material.

4. Sell the Value Add. Your organization's expertise in the cleaning category should already be well established with customers. By extending your product offering to mail rooms and break rooms, you can add a whole new level of value for the customer. The customer rests assured that it will be receiving consistent quality from all its facilities products. And the use of one supplier minimizes the time and effort required to deal with multiple sources. Subsequently, your organization gains because it can increase its margins and expand the number of items purchased per customer.

#### Going to Market

How do you know when you are ready to make the plunge? If you have growth aspirations and the means—e.g. the warehouse space—to accommodate the additional product, you are on your way. However, research and training are key, so make sure all your homework is done and the staff properly trained before deploying the troops.

Make appointments with customers that fit the profile of products you have added. Remember to emphasize the benefits of using a single-source provider and use the meeting to demonstrate broad-line expertise. Look to emphasize timely trends and issues and create selling themes. For instance, with prospects that have demonstrated an environmental commitment, offer to help them create a green facility.

Once in the door, ask for samples and invoices. Analyze the prospect's current mix of products as well as its pricing requirements. Then come back with items that will positively impact the prospect's bottom line. Communicate how your items can save energy, reduce waste, or provide additional benefits beyond price point. Look for every edge to close the deal.

No matter what sales strategy is employed however, success starts with a simple request. "Can I talk to you about your break room and packaging needs?" That's when you begin to lay the groundwork for future growth and even greater success.



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