All We Have To Sell Is Success

The Role of The Distributor

By Joe Woods
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Contractors through the years have always had to depend on distributors for a large portion of their supplies. There is no contractor who has the money, time and personnel to keep up-to-date on all the items that he needs in any type of construction. A lot of the workmen never realize they are out of an item until they reach for the last piece.

Suppliers stock and supply the commodities for the jobs. They also help the contractor by giving him the necessary credit that he needs. If a contractor needs an item on the job, it is the responsibility of the supplier to see that he gets the necessary materials.

A wise contractor gives enough business to several distributors that he can depend on. This will insure him of a continuous source of materials when he needs it.

The cost of energy is going through the ceiling. The cost of maintaining traveling salesmen is extremely high. It is my belief that we will see the manufacturers using more reps and will see the manufacturers depending more on distributors. The manufacturer will not be able to give the service the customers need; therefore the customer will have to go back to his dependable local distributor.

For a distributor to continue his rate of growth, it will be necessary to increase his sales force with knowledgeable salesmen who can give the contractor quick service and intelligent advice.

To grow and prosper, any organization will have to put itself in a position to give the contractors the local service they need. This will necessitate additional local warehouses.

Every distributor is looking for new products and services that will speed up construction. Everybody is looking for a better way to build a better “mouse trap”.

The most important service that a distributor performs for the contractor is to stock merchandise for the customer when he needs it. The main reason for being in business is to buy from the manufacturer and have a local source of merchandise that the contractor can get quickly.

With interest rates on the rise and energy costs increasing, the contractor and the distributor will become a closer team.

Service Is Success

By Robert W. Negwer
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Service is the name of the game for the many distributors in the wall and ceiling industry. In our field, it has become synonymous with success. We are obliged to provide it for our customers through our knowledge of materials and material handling. Our performance must be refined to the point that we can service our contractor customers at less cost than they can service themselves and still make a profit. It is this principle that has been the foundation for the rapid growth of distributors during the last decade.

This growth through service, however, has not always been given the importance it deserved. There was a time of great change in the construction industry during the late 1950’s and the early 1960’s, and it was during this time that many distributors failed to keep up with the changes and distribution in general suffered.

It was during this time that drywall was coming into its own and metal studs and self-drilling screws were being introduced. New systems and additives were being developed for the plaster industry. The traditional ceiling systems were being replaced by suspended grid systems. This was too much change for many of the sack goods distributors of that day to accept. Some chose to bury their heads in the sand and ignore change. Their philosophy was, “If I can’t haul it in a dump truck or don’t understand it, then I don’t want to have anything to do with it.” This attitude completely disregarded the principle of service to the customer.
and distribution of these new products was very poor in many areas.

Progressive contractors, who found themselves in a no-service distribution market, were then forced to provide their own distribution of these new materials. Manufacturers also were affected by this lack of distribution. To move their products, they had to develop direct market sales which then increased their cost of selling.

It was easy to see that the direct market sales method was not adequate for our industry. The stage was now set for a new type distributor to emerge. Those who saw this need and took aggressive action to fill it have become the successful stocking distributors of today’s wall and ceiling industry. The secret to their success can be attributed to providing their customers with the following: economic services; physical services; and technical services.

The greatest economic service we provide for our customers is the dollars which they would have invested in warehouses, equipment, and inventory are made available for the support and promotion of their contracting business. This is where a contractor’s investment should have the greatest return. This statement will often bring the following question: “If a distributor can handle my material and make a profit, then why can’t I make the same profit?” The answer is, it may be possible but cer-
tainly not probable. This is true because the distributor’s only emphasis is on the efficient handling of material on a large volume basis, whereas the contractor’s main emphasis would be on their contract work. This leaves the material handling as a secondary effort, which normally leads to inefficiencies and higher costs.

**Large Volume**

Another economic factor working for the distributor is that through their large volume, a higher inventory turn per year can be attained. An example of this is the contractor who has an inventory turn of four (4) times per year would have an inventory cost factor of about 7%. A large volume distributor should achieve an inventory turn of twelve (12) times per year, which would make the inventory cost factor 2.3%. It is the specialization of the walls and ceiling distributors which creates savings such as this in several areas. Much of the savings can then be passed on to their customers.

Lifts of gypsum board which were double stacked with an electric stacker to conserve space on floor.

The numerous new products that are constantly being introduced present a challenge to all of us. With customer service in mind, we must decide which to stock and which not to stock. New products then bring the need for additional warehouse space, storage racks, and handling equipment, but this is all part of providing for our customers’ needs.

Many distributors maintain a fleet of boom trucks and other hoisting equipment. This could include everything from A-frames and pallet trucks to cantilever platforms, cages, forks and flying jibs for stocking high-rise buildings. This enables a distributor to unitize and stock on the floor all materials needed for any size job. We will handle all the hoisting and stocking with usually a firm quote given to the contractor before the job is bid.

The investment in stocking equipment and development of stocking to
solve any problem is substantial, but this is what a distributor is all about. This service we provide has to be the best if we are to continue our growth.

**Role of Technology**

Technology is very important in our society and that includes the walls and ceiling industry. The products we use are becoming more numerous and more complex. Energy conservation has made us more aware of the R and U factors. The rash of hotel fires which we have recently experienced has given more importance to fire stop products and fire-rated systems. We can add 10 of these STC, NRC, axial load, deflection, seismic bracing, density, etc., and we can easily see that the contractors of today must have more knowledge about the products they use than they needed in years gone by.

We distributors also have become more knowledgeable about the products we sell. Our customers can depend on us to provide the correct materials for their job specifications. On some jobs, we may be able to recommend products which meet the same specifications but are less costly or more readily available and, therefore, keep the job on schedule. We see this as a customer service which we must be able to provide.

Many of us have developed and maintain an extensive library of technical manuals and product literature. It provides a handy one-stop source for our customers’ technical information needs.

Distribution has indeed come a long way in the past decade and it will expand its services and grow even more in the next decade. We will have help from the economy, which will dictate that materials be marketed and handled in the most efficient way possible, which is through a stocking distributor. We will have help from the products themselves, which will become more numerous and complex, thus making distributors the best way to the job-site. However, the real reason for our growth in the next decade will be our dedication to the principle that we must provide expert service to our customers at a lesser cost than they can provide for themselves.

As we have grown, the support we give to the wall and ceiling industry has become more noticeable. Distributor membership in AWCI has increased dramatically. With this has come our support for the building fund and continuing commitments to the AWCI Research and Reference Library. Distributors support the industry in which we make our living and are proud to be a part of it.

We are as proud of the services we have developed for the wall and ceiling contractors as they would be of their most prized project. We hope you all agree with us.