### WHOLESALE & DISTRIBUTION



DPA Buying Group Executive Director Zachary Haines helps his clients grow. Page 10



### SUCCESSION STRATEGY

Building future supply chain leaders is a high priority for The Clorox Company.

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### A NEW PATH

Newly established DistributionNOW is growing its oilfield product distribution business.

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DPABuyingGroup.com / Annual sales: \$1 billion+ in combined member sales / HQ: Cincinnati / Employees: Seven / Specialty: Marketing and procurement / Zachary Haines, executive director: "We can help our members take advantage of opportunities all around them so they can better compete."



## POWER OF PARTNERSHIP

DPA BUYING GROUP IS HARD AT WORK CONNECTING INDEPENDENT DISTRIBUTORS AND NATIONAL SUPPLIERS WITHIN A DIVERSE ARRAY OF INDUSTRIES. BY ERIC SLACK

as Distributor Partners of America (DPA) by 67 independent high-volume janitorial and sanitary distributors, DPA Buying Group is focused on growing sales for member distribu-

tors and preferred vendors. Today, DPA includes more than 600 independent distributors and more than 180 national vendors. It has expanded beyond the janitorial/sanitary sector and is active in the safety equipment and clothing,

packaging, restoration, and industrial tool and fastener industries.

"Since the group formed, we have realized that the curtains between industries were coming down," Executive Director Zachary Haines says. "You need



access to many products and service sectors to be successful. The end-user is becoming more demanding, but we can help our members take advantage of opportunities all around them so they can better compete."

#### SYMBIOTIC TIES

DPA's purpose is to provide its membership with opportunities to grow their sales and profits by working with preferred suppliers.

These suppliers provide the members

with discounts and marketing allowances for mutual benefits.

"We are not a central invoice group," Haines says. "The distributors place orders with the manufacturers and their reps, and the invoices and product shipments are sent directly to the distributors, or product can be drop shipped to their end-user customer. We try to enhance and cultivate relationships between distributors and suppliers through our programs and opportunities."

The organization's distributor members are offered quarterly marketing allowances on purchases with preferred suppliers. On top of these exclusive rebates, DPA is able to work with suppliers and negotiate on everything from pricing and minimum order requirements to extra promotions and prepaid freight policies. This allows DPA to help create favorable terms in all areas for its members.



# "We need to be proactive and aggressive because there is a lot of consolidation taking place among both distributors and suppliers."

To help distributors and suppliers connect, DPA hosts an annual buying and networking conference. This allows distributors and suppliers to meet face-to-face, and helps distributors gain access to information about the latest products and industry developments. In addition, DPA's distributor members have the opportunity to take part in networking sessions with other distributor members.

"There is a lot of knowledge within

our group on the supplier and distribution side," Haines says. "Our conference allows our members to discuss their challenges and pressures and find ways to share best practices, and we can help educate them about the products and applications that our suppliers bring to the table."

The group also utilizes its website to help members source products with manufacturers, explore promotions and stay connected. Additionally, the







group's travel incentive program rewards its distributors for working with the group's vendors.

DPA strives to ensure that its benefits extend to the supplier side, too. The organization's preferred supplier programs help suppliers find new distribution opportunities while enhancing relationships with existing customers.

DPA doesn't partner with an endless number of suppliers. Instead, it partners with a limited number of vendors in each product category. This helps ensure that the relationships work for all parties. By becoming a part of DPA's network, vendors can simplify the way they manage their distributor accounts by offering DPA a single, national program. Vendors are still welcome to dip in their pockets more for individual opportunities, but having a strong base program with DPA is a lucrative starting point for both

vendors and distributors to grow sales together. By representing a smaller number of larger-volume distributors, DPA can work closely with preferred suppliers and help them achieve their strategic sales goals.

Other benefits for DPA's suppliers include the annual buying conference, which ensures that suppliers will be able to interact with every attending distributor. DPA also offers an annual travel incentive program focused on growth. DPA makes a number of marketing opportunities available to suppliers, such as email blasts, member mailings and coordinated promotional opportunities. In addition, DPA has a group label program available to suppliers.

For both distributors and suppliers, DPA can help them reduce operational expense costs. Among DPA's contracts are relationships with service providers and







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human resource companies. These organizations offer discounts to DPA's members in a wide array of areas, from credit card processing, shipping and freight, payroll and cellular phones to inventory management software, catalogs, e-commerce platforms, logistical management and collections for recovering outstanding invoices.

#### **EXPANSION PLANS**

Working to ensure growth for members is one of DPA's highest priorities, which is why the organization is always looking to expand the options available to members. The organization understands that distributors must be flexible and be able to rapidly access extensive product offerings. Thanks to DPA's more than 180 supplier programs, its members are in a better position to pursue comprehensive bid opportunities and meet customer demands.

"Our vision is one of the reasons for our success," Haines says. "We are not limited to one industry."

The group has put its procurement power and product diversification strategy to work in the janitorial, safety and industrial industries. It is providing distributors with access to personal protective equipment and specialty cleaning and restoration products. Thanks to this diverse product strategy, DPA's members have access to everything from mold

mitigation and remediation to stone care, smoke and fire damage, specialty carpet cleaning, floor care, tile and grout cleaning, and stone care. Members also have access to industrial supplies such as tools, fasteners, ladders and lighting products. Safety product categories include everything from hard hats, gloves, boots and protective eyewear to fall protection and spill control. This strategy helps distributors broaden their businesses by finding new sales opportunities.

"We want to be in industries where sales are done through distributors," Haines says. "When selecting a new industry we first look at how many buying groups or cooperatives are already established there and then we try to determine how many independent distributors are not affiliated with an existing group. This allows us to determine if we can start a division organically or if we need to pursue an acquisition. DPA looks to grow into industries that are related to the products and customers we are currently selling. For example, we could expand into offering fire and EMS-related products; HVAC or plumbing products like pipes, valves and fittings; or foodservice and restaurant equipment."

Ultimately, DPA is all about being a top-class organization that finds ways to serve its members and increase their sales and profits. It is always open to bringing in new quality distributors and suppliers into the fold. DPA will always focus on making sure that it is helping its suppliers and distributors stay on top of new developments and innovations.

"We need to be proactive and aggressive because there is a lot of consolidation taking place among both distributors and suppliers," Haines says. "If we can keep providing more options in new areas, we can help distributors show their customers how their products and services can add value to their operations and save them money."





