

**Distributor Member Benefits** 

# **EXPANDING THE BOUNDARIES OF THE BUYING GROUP MODEL**

## A tightly knit group of independent industrial distributors representing \$1.3 billion in sales: IBC's network is strong, vibrant and significant!

IBC distributor members are deeply entrenched in the industrial supply marketplace. As independent distributors, they hold a competitive advantage over big box and national distributors in the areas of personal service and relationship management.

Distributors in the IBC industrial buying group are family-owned businesses, many in their 2nd or 3rd generations of ownership. They have long standing relationships with their end-user accounts and are vital contributors to their local communities. Through IBC, they have access to a large portfolio of industrial products for metalworking, MROP, material handling, safety, janitorial and sanitation applications.

By belonging to the IBC Industrial Buying Group, our distributor members benefit from economies of scale and group buying power. As such, they have access to name brand industrial products at competitive prices, utilize sophisticated technologies usually associated with big box and national distributors, and qualify for generous supplier rebates.

### Join IBC today and take advantage of all our offerings:



#### **Supplier Rebates**

As an independent distributor, you struggle every day to overcome the "product acquisition cost" disparity versus your National competitors. But no matter how creative or innovative you are in approaching this unlevel playing field, you cannot change the fact that they have superior buying power based on their size. However, when your volumes are combined with dozens of other distributors' purchases from across the country, you can achieve the same, and even superior, purchasing volumes versus the Nationals. That is where IBC comes in!

Negotiating industry-leading rebate programs with best-in-class MRO suppliers is a hallmark of the IBC business model. Rebates are vitally important to IBC members, as they protect true acquisition costs and can generally be taken straight to the member's bottom line. This is what allows them to compete on a level playing field with their National competitors. In IBC, the suppliers' rebate is not part of the funding model for the business for members connected to IBC Connects: IBC members receive **100%** of their rebates from IBC Connects suppliers!



#### **IBC National, Regional and Minority Contracts**

We unite IBC distributor members and leading suppliers to secure competitive contracts from, and deliver exceptional service to, end-user manufacturers (typically large OEMs with multiple plants), looking to source brand name industrial products or services from one single source. We provide strategic oversight and a single point of contact with our customers to negotiate, manage and enforce contract execution.

IBC is a Minority Business Enterprise (MBE) certified by the National Minority Supplier Development Council (NMSDC). Companies that have established supplier diversity programs to meet government requirements and ensure strong support of minority businesses may earn minority credits by conducting business with or through IBC and our members.





#### **IBC University**

IBC University is an online training portal that gives IBC Supplier Partners measurable means to keep their brands at the forefront, increase member engagement and train distributor employees about their products and services. There is no limit to the number of courses that may be added to IBC University. Successful course completions result in rewards dollars that are redeemable for popular items and gift cards.

#### **Transactional Cost Reduction Program**

For most Independent distributors, the "PO-to-payment" process of transacting with their extensive supplier base is highly manual, representing a drain on their profitability. IBC Connects is a cloud-based Electronic Data Interchange (EDI) program that replaces manual data entry systems of purchasing and invoice processing. This sophisticated, yet easy-to-use, program is compatible with most financial accounting systems via API. IBC Connects consolidates many transactions into single transactions, complete with invoice level detail to improve supply chain efficiencies, enhance sales and reduce total cost of operations.



SC CONVECTS

#### **E-Branch and PIM Program**

The online capabilities gap between the national chains and most independent distributors is widening faster than ever. These chains know that maintaining an online catalog is a huge challenge for most distributors, and they focus on exploiting this advantage they hold. IBC's PIM (Product Information Management) Initiative is a centralized database that provides all IBC distributor members with access to hundreds of thousands of SKU's of rich-content, imaged digital data from hundreds of suppliers for building their online catalogs. By sharing costs with their fellow distributors, this core benefit of IBC makes creating and maintaining best-In-class online purchasing experiences a reality for IBC's members.

#### **IBC's End-User Loyalty Rewards Program**

It is a vibrant, fast-paced environment that IBC distributors operate in, and it's only getting blurrier. Increased competition, internet, supplier disintermediation, converging channels, and social media make it increasingly difficult for a distributor's brand to stand out amongst a large crowd in the customer's eyes. IBC has taken a tried, tested, and true concept from outside of industrial distribution — B2B loyalty rewards programs — and has adapted it for our members' end-users. Powered by a partnership with Brandmovers and further fueled by point support from IBC's approved suppliers, IBC offers our members a loyalty rewards platform that they can customize for their end-user customers. Even better news is our members leave all the administration to IBC and watch their sales grow!



Brandmovers

ROMOTIONS + LOYALTY

#### **IBC Member Market**

The IBC Member Market is an online service which provides IBC distributor members with an opportunity to exchange inventory with other in-network distributors. Accessed through the IBC Exchange, a secure, private intranet for members, the IBC Member Market is a convenient way to build new business opportunities by gaining access to new product lines. Distributors purchase from one another at cost plus 10% with payment terms of 10 days.

# SAVINGS

#### Savings4Members

Savings4Members allows IBC distributor members to save on business services and expenses like payroll services, credit card processing fees, vehicle fuel purchases, mobile phone service, office supplies and more. All IBC Distributor Members are automatically enrolled in Savings4Members when they join IBC. The average business saves more than \$14,000 annually when they take advantage of savings opportunities available from Savngs4Members.



### **IBC National Conference**

The IBC National Conference is a 2-day annual event that brings IBC distributor members face-to-face with each other, IBC supplier partners and IBC staff in a resort setting. The IBC National Conference features an awards presentation, networking events, learning tracks, educational presentations and more. IBC also introduces new, and reviews existing, member benefits and initiatives at this annual event. All IBC distributor members are expected to participate in the IBC National Conference.



#### **Group Buys**

The Group Buys program allows IBC distributor members to go beyond their normal purchasing and sourcing means by purchasing with other in-network distributors, securing deeper discounts to drive sales and margin growth. Group buys are focused not only on first tier suppliers that members have access to, but also on second tier suppliers where many members cannot get access to the lines and are therefore at a cost disadvantage because they must source through re-sellers or competitive distributors.

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#### **Succession Planning**

IBC is in a unique position to offer all IBC members a platform to connect a member interested in selling their business to another member who might be growing by way of an acquisition strategy. The selling member benefits from not having to deal with a publicly-traded acquirer, who are shrewd to deal with and do not share the seller's concern for the post-acquisition well-being of their staff. The buying member benefits because they grow their business through a safe acquisition of someone they likely have known for many years. IBC and all other members benefit from the purchasing volume and geographic footprint remaining in the group.



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