



by Ken Baur

Vendors: What Are They Good For?

Before you break into song and say “absolutely nothing,” perhaps you might find that they are good for more than you are currently getting from them. Sure, you know vendors are important for providing you with needed supplies, quality mouldings, and new items that inspire

sales. But they can also be a part of a very important relationship for a healthy business. They can provide much more than the basics that most of framers settle for.

Years ago, I owned a business that was serviced by more than 250 vendors. Most were very average, providing more than 85 percent fill rates on

orders, shipping within a reasonable time period, and providing some help with damaged merchandise. Some of the other vendors were terrible, notorious for out-of-stock items and long delays in shipping and full of excuses about defective merchandise.

Then there were the exceptional vendors. Out of the total of 250, there were maybe five who stood out. How? First of all, they excelled at the basics—excellent in stock position, fast and accurate shipping, and full support for their products.

But they went way beyond those important cornerstones of business to other levels. Most importantly, they communicated very well. It was almost as

if they anticipated our needs and questions, providing the answers before they were asked. Next, they physically serviced their accounts, helping with displays, asking questions, and solving problems on a regular basis. Finally, they educated our staff about their products and trained us on how to sell them properly.

This second level of personalized service often led to huge growth in sales with these companies because they made us experts in growing relationships with our customers and fully supported our efforts to sell their products. I learned, however,

Framers need as much help as possible, and you can get a lot of help from a great vendor



You can still offer a huge display of creative mouldings while limiting the number of suppliers.

that some other store owners buying from these companies didn't get as much help as we did and, as a result, didn't have the sales growth that we experienced. Talking to these owners, I realized why this was happening. These owners didn't get the same levels of service and sales because they

didn't have the same commitment to their relationships to the vendors. Even though a vendor may have the capability of really helping a retailer, it won't happen if the retailer doesn't cultivate that help. It is a two way street, just like any other relationship. It only grows and becomes valuable if both parties are committed.

How can this be applied to the picture framing industry? How can you develop relationships with your vendors that will grow your business?

First, stop dealing with so many vendors, especially bad ones. I am constantly amazed by the number of moulding suppliers that framers display on their walls. That won't put you in the position of building strong relationships with any vendors. Why? Offering products from many suppliers makes it impossible to do a lot of business with any one supplier.

I've heard all the arguments: "I want my shop to have unique moulding choices," "I need a huge selection to be creative," and so on. The truth is that you are only selling 20 percent of what is on your wall 80 percent of the time. Some of the "must have" vendors haven't sold a piece of moulding to you since 2004. Our galleries have about 50' of moulding samples that run in 7' rows. We support five vendors. One vendor receives 70 percent of all our wall space. When designers leave other local framers to work with us, they often say that they were used to more choices. After three months with our clients, I never hear that comment again.

Why do we narrow our vendor selection so much? It allows us to

build better relationships. We become a bigger fish in a vendor's pond instead of being a little fish in many small ponds. What advantages can you get by going so far as to give one vendor 70 percent of your wall space? First, be sure that a vendor is worth it. Be sure the company has the ability and the desire to go above and beyond the normal service to help you grow your business. If you believe one of your vendors has a company culture that will provide this, think about making a commitment to that company. Become a bigger fish in that vendor's pond, and it could help you in many ways.

If you decide to do this, the first step is to meet with the company and discuss deepening the relationship. It's amazing what you can bargain for, especially in economic times like these. Try committing a large portion of your business in exchange for things like additional discounts, more favorable payment schedules, increased deliveries, more service and training, and maybe even some exclusivity in your local market to keep the relationship unique. Before you sit down to negotiate, pick two or three improvements you need the most and focus on getting those. Of course, get the agreement in writing. Remember, it is absolutely critical that you keep your commitment. This is the key to building the relationship.

Building stronger relationships with great companies pays off in many ways. You'll get to know many people in the company, including top executives. This is invaluable for knowing whom to contact when you really need something. These companies might even come to rely on you for testing products and services they

are experimenting with, giving you access to the latest products. Keep a regular flow of communication open with your contacts. Providing consistent feedback and gallery information increases your value in the relationship.

Another advantage of narrowing suppliers is reducing the cost of carrying inventory. A good example would be matboard. If you carry more than one or two suppliers of matboard, you are duplicating stock and investing in way too much inventory. Other than certain categories of specialty boards, the basic lines of matboard are virtually the same from one company to the other. Pick one and eliminate samples from other suppliers. Every dollar invested in something that doesn't sell makes you less profitable.

Reducing suppliers also means that shipping costs of materials are lowered or perhaps even eliminated. With the rising costs of transportation, this can have a very favorable impact on your profit.

In economic times like these, framers all need as much help as possible. And you can get a lot of help from a great vendor. Find one, commit to that company, and negotiate what you need to become more profitable. Then do everything possible to make yourself more valuable to the relationship. Just like in real life, it pays off far beyond what you can imagine. ■

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