

Catalog-4-ONE™

Executive Summary

How does a supplier build a loyal customer base in today's marketplace? Buying and selling has become so fast-paced and chaotic that most customers don't take the time to consider their own business health until they have a crisis. In business, as in personal health, prevention is the best medicine. You can gain your customers' loyalty by anticipating their business needs and helping them avoid disaster.

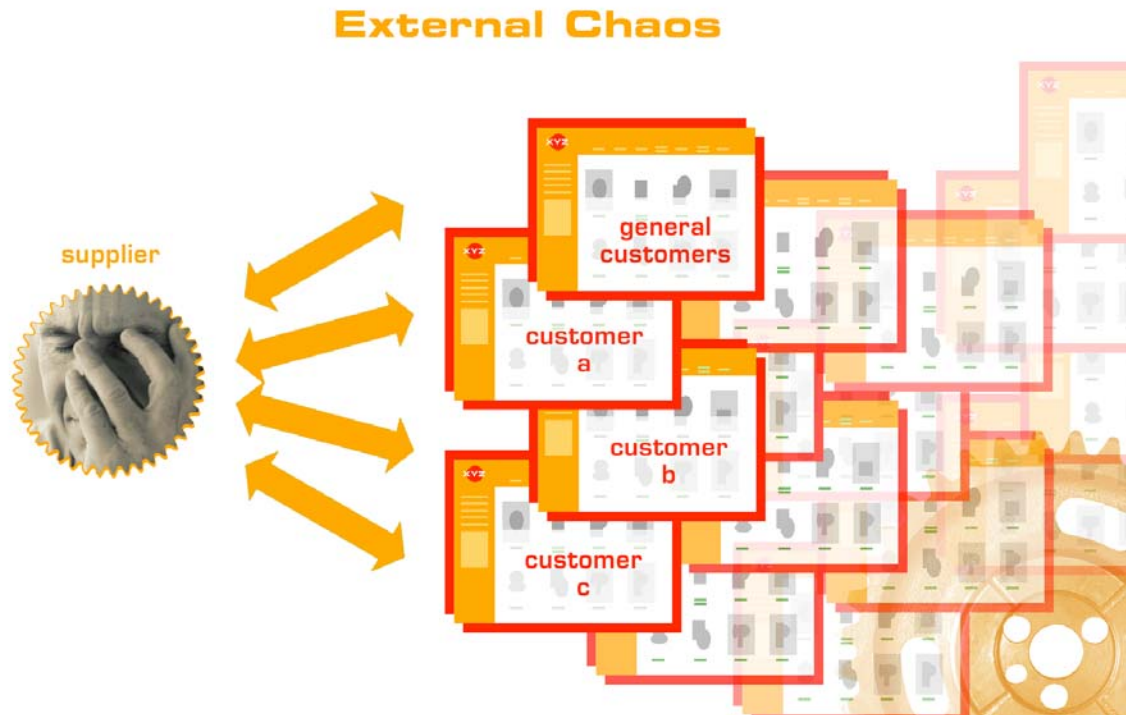
Take a typical scenario: a supplier shows up, sells a customer a big-ticket item with a three-year warranty then disappears for the life of the warranty. Three years later he shows up again hoping to replace the big-ticket item with a new model. But in the interim, one of his competitors has appeared on the scene and is fulfilling all the customer's other needs. When it's time to replace the big-ticket item, from whom do you suppose the customer will buy—the supplier that's been out of the picture for three years? Hardly, but many suppliers act like that's what they expect.

Customers want a supplier that's there for them. They want him involved on a day-to-day basis and focused on their needs, learning their business and earning their loyalty—they want a consulting partner. But it doesn't happen overnight. That's why the supplier who decides to invest in a client can't look at immediate results—at least not usually, and at least not monetarily. He has to keep his eye on the big picture and think down the road. It takes time, hard work and consistency; but there are tools available to help him become more efficient with his time, more effective in his work, and solid as a rock in his consistency.

Catalog-4-ONE helps suppliers connect with their customers personally and directly through on-line catalogs that have been individualized for their needs. With **Catalog-4-ONE**, a supplier can grow his relationships, increase his selling opportunities, and become his customers' one source for all their supply needs. Customized branding and content allow a supplier to communicate one-on-one and with immediacy with his key customers.

In addition, **Catalog-4-ONE** helps a supplier save on continually escalating printing costs, and solves the problem of keeping customers informed of ever-changing products and prices. Because the

catalogs are electronic, rather than paper, that information can be updated immediately. Other features allow companies to integrate their sales and marketing programs, e-commerce catalog, and supply channel into one automated system, helping them become a more efficient and effective enterprise.



Loyalty

Catalog-4-ONE helps build loyal customers and end the external chaos that plagues most businesses' marketing programs. In an era when customers are inundated with marketing information, *Catalog-4-ONE* connects with them personally and directly. One of the ways it does this is by creating individualized on-line catalogs that dynamically reflect key customers' needs for products, pricing, workflow and reporting. Suppliers are able to brand and customize their catalogs with the message and content that is most meaningful to each customer.

The need to retain customers has never been greater. It has been estimated that the cost of retaining an established customer is miniscule compared to winning a new one. Plus, a relationship with a current customer can be grown to include incremental business. But that's not going to happen for a company whose customers feel neglected.

The reason a price can't be put on loyalty is because it is relational. If a supplier has shown by his past performance that he cares about his customers, those customers will tend to forgive him when he makes a mistake. But if his customers feel neglected and underserved, the minute the supplier makes a mistake they will cut and run. They know there are plenty of other suppliers who won't neglect them. Suppliers should understand that as well.

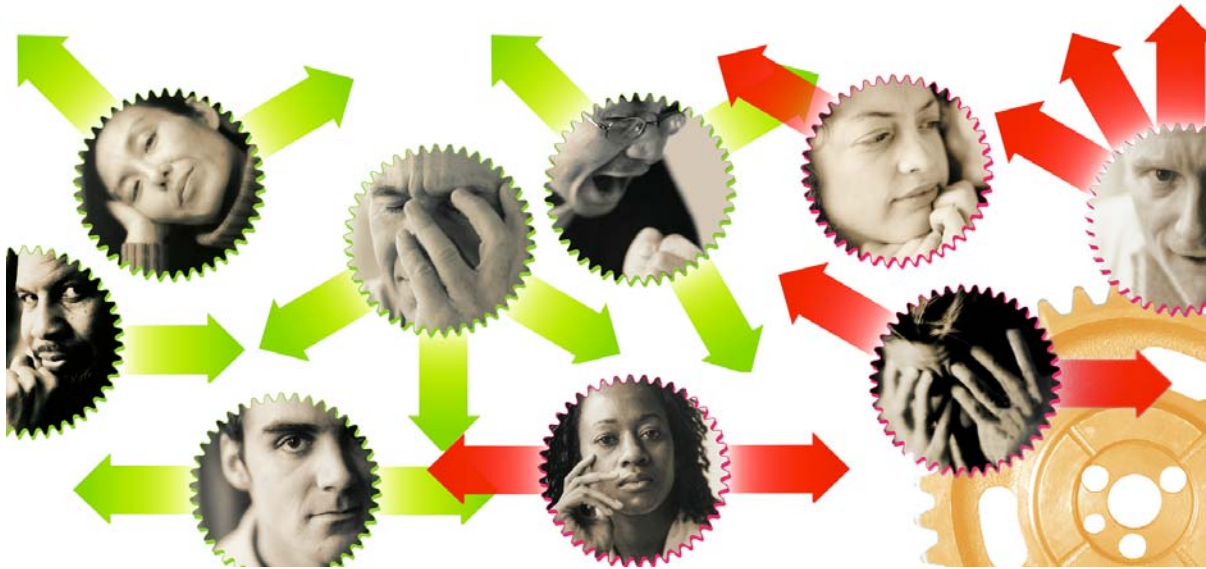
Jill Griffin of The Griffin Group of management consultants in Austin, Texas, states, "Loyal customers buy more, cost less to service and help promote your firm through positive word of mouth." Loyalty has to be built on something, and that something is quality and service, not price and hype; but it also includes the idea that a supplier cares about his customers. For customers to be loyal, they have to believe their supplier is bringing something of value to the relationship. And it has to be value as defined by the customer, not the supplier. Jeff Thull, president and CEO of Prime Resource Group, and author of *Diagnostic Selling*, writes, "Unless you can define, address and measure value on your customer's terms, you haven't created value."

On the other hand, according to an article in the Harvard Business Review, "...the performance of many supply chains has never been worse. In some cases, costs have risen to unprecedented levels because of adversarial relations between supply chain partners, as well as dysfunctional industry practices such as an over-reliance on price promotions. One recent study of the US food industry estimated that poor coordination among supply chain partners was wasting \$30 billion annually." A supplier can avoid these problems by showing his customers he cares.

CUSTOMER SERVICE—A customer-focused system will help build loyal customers. By giving them their own unique account center, *Catalog-4-ONE* allows users to access all the information they need to do business with you and participate in your programs. They will be able to

- view order status, history and order pending information
- access incentive, reward and recognition program point information
- keep track of budget allotment availability
- manage personal ID and password
- automate e-mails, communicating order confirmations and program status

Internal Chaos



Creativity

Taking a one-on-one approach, *Catalog-4-ONE* increases a supplier's ability to communicate creatively and effectively. On the fly, he can create customized catalogs and marketing programs that showcase his products in a way that is unique to each customer. In a similar way, he can also create one-of-a-kind catalogs for his *customer's* customer. So, whether marketing to wholesale or retail, a supplier can tailor his catalog and supply system to fit the needs of individual customers. This will enable customers to find what they need more quickly and easily, which will save everyone time and money.

Focusing on customers not only helps eliminate the external chaos that plagues most companies today, it also helps eliminate the internal variety. It does this by improving communications *within* the organization. One of the reasons companies today have internal environments that are so chaotic is that employees aren't communicating effectively with each other, and are often unaware of what other employees are doing. They end up duplicating each other's efforts and working counterproductively. *Catalog-4-ONE* communicates with every member of an organization so there

is no reason to duplicate efforts. A bi-product of this is that the company no longer needs paper invoices, paper requisition forms and all the other paper trails they've left in the past: everything is done electronically and instantaneously.

Catalog-4-ONE allows a supplier to create a master catalog for his general customers, which can then be duplicated and incorporated into the web sites of his various outlets and member organizations. This greatly increases his company's visibility. He can then choose to customize his catalog by making it brand-, product- and price-specific for each of his key customers. It can further be transformed by increasing its functionality, adding password protection, e-commerce options, ordering controls and more. Additional enhancements include promotional, incentive, loyalty and other programs. And, for even greater impact and support, newsletters, opt-in e-mails and other campaigns can be added. *Catalog-4-ONE* is multifunctional and can be transformed to meet the needs of the individual.

One of the ways to keep customers interested is constantly to be offering them incentives, e-mail offers, brand promotions, reward programs, rebates and other ways to stretch their purchasing dollars. Also, when a supplier helps his customers stay informed of his business and its capabilities through newsletters and e-mail campaigns, he's keeping the conversation going. The more ways a supplier can show he cares, the more his customers will want to do business with him. And the more specifically he communicates this message by addressing his customers individually, the better.

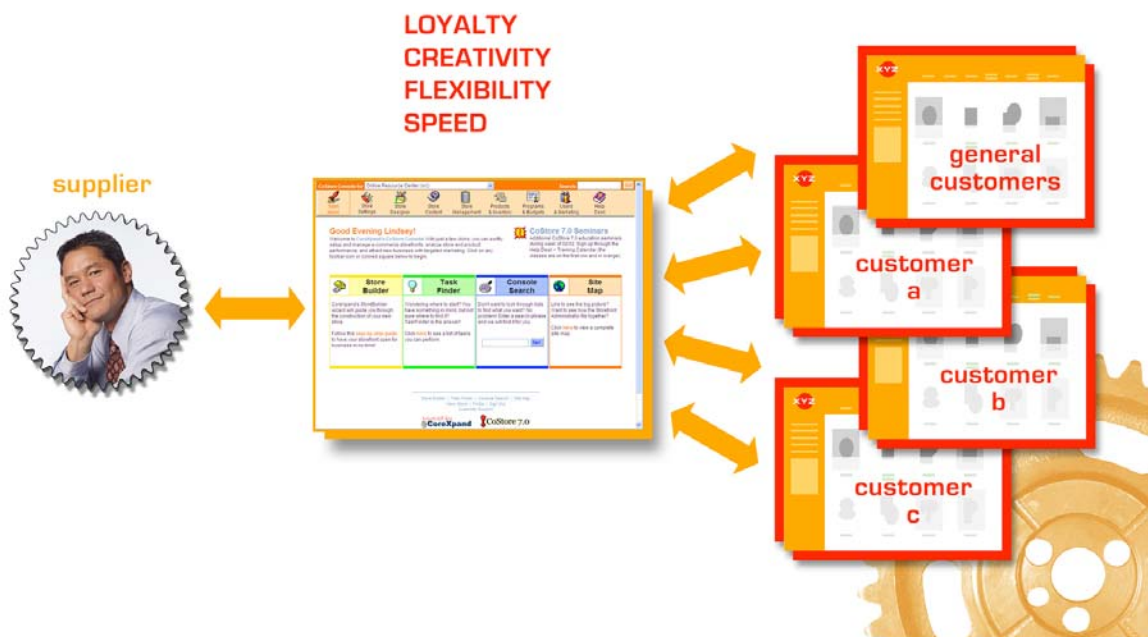
CATALOGS AND PROGRAMS ON THE FLY—*Catalog-4-ONE* allows you to create e-commerce web sites and on-line marketing programs on the fly, and to manage those programs effectively. You'll be able to

- customize on-line catalogs or e-commerce sites for customers, resellers and partners
- automate order replenishment
- sell and promote new product lines and sales channels
- create incentive and reward programs to promote loyalty, retention and safety
- create recognition and service award programs
- create rebate, co-op, gift certificate and coupons programs
- create company stores and do brand promotions
- launch e-mail marketing campaigns and promotions

ON-LINE MARKETPLACE—*Catalog-4-ONE* allows you to create an on-line marketplace where customers can find all the products they need in one place. It will allow users to

- exchange orders and update user status
- create and manage a product and supplier catalog database
- have different ways to publish catalogs and information
- view and access filters for products and pricing
- order and manage supplies
- manage fulfillment and inventory
- forecast trends
- consolidate and group purchases

Individualized, Online Catalogs



Flexibility, Control

While printed catalogs are generally attractive, printing costs are always enormous and on the rise. Also, printed catalogs cannot be customized economically, nor can they be kept current. *Catalog-4-ONE* gives manufacturers and distributors the flexibility to create branded catalogs that are unique for each customer, including individualized products and pricing. At the same time, these electronic

catalogs are a fraction of the cost of printed ones. Plus, with *Catalog-4-ONE*, a supplier can update his product line more quickly and easily, allowing him to communicate with more immediacy.

Not only does *Catalog-4-ONE* give a supplier greater flexibility with his costs; it also gives him more flexibility with his content. He can set authorization, viewing and pricing filters to determine what users see and access, along with user spending levels and budgets. By establishing and setting these controls, a supplier and his customers can reduce spending errors and avoid costly mistakes. It has been proven that companies with spending controls in place save as much as 15% on their total budgets. A company can set these controls according to a variety of parameters.

In addition, just simplifying and automating a company's system greatly enhances their control over it. It is far easier to control a unified, cooperative enterprise than a company that is in constant chaos. *Catalog-4-ONE* keeps suppliers informed of any changes in their system. More control and greater flexibility equates to a better work environment for employees, leading, in turn, to greater productivity.

PURCHASING CONTROLS—*Catalog-4-ONE* provides purchasing controls and visibility on spending—by customer, user-group, account, program, department, code, cost center, etc. Spending amount can be set by dollar, percentage, open balance (both depleting and non-depleting) and one-time use. Purchasing methods can be set using one, or any combination, of the following:

- purchase orders, credit cards, P-cards and points
- gift certificates and coupons
- account and cost center codes
- pre-set or open budget dollars
- set spend limits per user and route for approval
- approval by management

Unified, Cooperative Enterprise



Speed

One of the biggest problems manufacturers and distributors face with printed catalogs is the frequent need to update information, necessitating a steady stream of stickers, sales sheets and pricing guides that can easily get lost. **Catalog-4-ONE** gives users the power to update information quickly and easily so their catalogs are always current.

Another advantage of **Catalog-4-ONE** is its ability to interconnect all of a company's data systems, streamlining their information flow from one system to the next. It interconnects Accounting with Operations, updates Warehouse inventory and order information, and punches out to various procurement systems. Intra-net and extra-net user credentials and user information are passed safely through secure portals. With such interconnectivity and communication possibilities, a company's employees, vendors and customers can become a real community.

Catalog-4-ONE lets suppliers see their entire sales, marketing and supply chain in a single view, giving them access to reports that will track, measure and improve the way they spend money, as well

as how their resources move through the system. They will know, up to the minute, where people, information and products are in the chain, thereby increasing their effectiveness at delivering on time and within budget.

With better information a supplier can improve his insight *and foresight* to make more informed decisions and do a better job complying with regulations. Whether he's tracking sales, expenses, participants' purchasing habits, the effectiveness of a program, the status of an order, interest in a particular product, or inventory levels, information is power and, with *Catalog-4-ONE*, he has it right at his fingertips. He's able to keep up with the ever-changing needs of individual customers as well as the market in general, and is ready to respond to those needs in a timely way.

In addition to the benefits already listed, *Catalog-4-ONE* will automate many aspects of a company's systems—as well as their customer's systems—and simplify most processes. Paper forms are eliminated as everything is done electronically. Information flows through a company's interconnected systems, reports and requests are generated automatically, and order cycles are expedited. Every aspect of *Catalog-4-ONE* is designed to make a supplier's company more effective at what they do.

INTERCONNECTING DATA SYSTEMS—*Catalog-4-ONE* interconnects various data systems, streamlining information flow from one system to the next. (May require additional fees.) You'll be able to

- interconnect Accounting and Operations
- update Warehouse inventory
- update order receipts and status for single- or multiple-supplier orders
- punch out to procurement systems (Ariba, Commerce One, etc.)
- pass intra-net and extra-net user credentials through a secure portal
- upload participant and user information
- transfer data via FTP, HTTP Posts and Web services
- use data file formats XML, Flat File and EDI

INFORMATION AND REPORTS—*Catalog-4-ONE* gathers information and generates reports, assisting you in decision-making, forecasting and budgeting. You can

- track sales by store, program, product, user-group, etc.
- track participants' purchasing levels, methods of payment and budget
- track participants individually, by program, points balance, target, etc.

- review order status and history
- review product status by interest level and purchasing activity
- design customized reports
- report inventory levels and availability

EXPEDITING THE ORDER CYCLE–*Catalog-4-ONE* expedites the order cycle, helping you take orders, manage inventory, and make accurate and reliable deliveries. You will be able to

- capture key information (user info, budget, cost center, etc.) at time of order
- calculate shipping and tax at time of order in real time
- track and communicate order status
- view progress reports for all orders received and waiting to ship
- view all details for individual orders
- track information for line-item products from key drop-ship suppliers
- have real-time inventory options and reports
- adjust limits on allowable quantities for purchase or back-order
- adjust limits on re-order pars
- e-mail inventory replenishment information automatically



Catalog-4-ONE Benefits

There is a progression to the *Catalog-4-ONE* program. It starts with the basic step of getting organized and continues through the development of a loyal customer base. Each step has its own benefits.

ORGANIZE AND MANAGE THOUSANDS OF ITEMS—The first thing *Catalog-4-ONE* will do is help you get organized. It will bring together all your product images and information into *one place*. This will allow you to see all the pieces to your catalog at one time so you can determine which products to include, how to price them differently for each type of customer, and what functionality will be needed. With *Catalog-4-ONE*, you'll have the ability to organize and manage thousands of products on line.

BUILD A STRONG CATALOG PROGRAM—Next, *Catalog-4-ONE* will create your *Master Catalog*, which is the foundation of your catalog program. Your customers will now have a quicker, more efficient way to see, select and order your products. This will allow you to have a strong foundation upon which to build customized features, various kinds of functionality, personalized campaigns, and more.

MULTIPLY YOUR VISIBILITY—At this point, you can go in a number of directions. You may want to duplicate your catalog for various outlets or members, who can then incorporate it into their own web sites. This will allow you to multiply your visibility. You can provide *Catalog-4-ONE* to as many outlets as you like; and they'll be able to incorporate it into their own web sites so it works seamlessly with what they already have in place.

ADDRESS INDIVIDUALS IN UNIQUE WAYS—You can transform your catalog to make it brand-, product- and price-specific for each customer. This is the heart of *Catalog-4-ONE*. You'll be able to show your products one way to business-to-business customers and another to end users, always confident that your information is secure and accurate. Where applicable, you can offer additional information, such as technical and safety specs, MSDS documents, and more. This will allow you to address individual needs in unique ways. There has never been a more targeted way to market your products and serve your customers.

HAVE AN EFFECTIVE MARKETING TOOL—You can increase your catalog's functionality by adding password protection, e-commerce options and ordering controls. With *Catalog-4-ONE*, you'll be able to run promotional, incentive and loyalty programs on line. You can give dealers and distributors co-op and rebate options. And you can generate any type of report you need. This will allow your catalog to become a marketing tool that's effective, easy to use and totally secure; plus, you can add as many bells and whistles as you like.

BUILD A STRONG BASE OF LOYAL CUSTOMERS—As important as it is, your catalog is just one of your points of contact with customers. You can expand and build on it with other points, such as e-newsletters; opt-in e-mails and e-mail blasts announcing new products and special offers; gift certificates, coupons and volume rebates; as well as other campaigns that will strengthen your relationships. This will allow you to build a strong base of loyal customers.

Channel DRIVER™

the multifunctional on-line tool



Conclusion

Through all its many processes and features, *Catalog-4-ONE* helps companies build a loyal customer base that in turn helps them sell better and put an end to the marketing chaos that plagues most companies today. By increasing the creativity, flexibility and speed of a sales and marketing system, *Catalog-4-ONE* will increase its effectiveness and eliminate its waste. Visible changes include an increase in web sites and other venues where customers can buy; an increase in *effective* marketing programs; the consolidation of all of a company's vendors into one web site; the elimination of paper forms and faxes; the automation of most processes, including report generation; and the establishment of controls on purchasing and spending. Depending upon how far a company goes with the system, they could see an entirely new face on their company. But they will also see changes internally in attitude and other values generated by new incentive, reward and recognition programs. *Catalog-4-ONE* is designed to help companies do what they do best, inside and out, through a multifunctional, on-line tool that quickly pays for itself.

About CoreXpand™

CoreXpand is the leader in on-line catalog marketing. With over 13 years of experience in the distribution industry, CoreXpand provides on-line business solutions that consolidate and streamline supply channels, while driving sales and increasing brand loyalty. CoreXpand was founded in 1999 in Atlanta, GA, and has since proven itself many times over by helping companies of all sizes expand their core business capabilities.

Channel DRIVER™ is the name of our feature-rich, easy-to-use on-line tool. *Catalog-4-ONE* is our program for creating individualized on-line catalogs; Your Supply Center™ is our program for creating on-line supply centers. Both programs are contained in the Channel DRIVER tool, as are many other features and programs. Channel DRIVER requires no IT involvement, so companies are able to deploy programs rapidly for their entire channel.

Although all companies benefit from using Channel DRIVER, the most successful users are manufacturers, distributors and independent representatives. We currently have over 2,000 programs running on line for companies of all sizes, including many Fortune 500 companies. Our proven results attest to the satisfaction of our customers.

Contact Information

You can reach CoreXpand CEO Lindsey Tanner by

- e-mailing ltanner@coreexpand.com
- calling 678-228-5082
- or visiting our web site www.coreexpand.com

All information contained in this document, as well as all images, are the property of CoreXpand. © 2005 CoreXpand. All rights reserved. CoreXpand, Channel DRIVER, Catalog-4-ONE and Your Supply Center are Trademarks of CoreXpand.