



The Bunzl Leader is the quarterly electronic newsletter of Bunzl Distribution, prepared by Marketing Services in conjunction with participating vendors and staff. For comments or article suggestions, please email [marketingservices@bunzlusa.com](mailto:marketingservices@bunzlusa.com)

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## **PRIME TIME FOR PRIME SOURCE®**

### **Ad Campaign to Promote Prime Source®**

The focus is on product and service performance in a new ad campaign to promote Bunzl's Prime Source® private label product line. Targeted to industry trade publications, the series of ads promotes various Prime Source product groupings, such as towels, tissues and napkins; HandsOff™ disposable gloves; and the Envy Design collection of cups, plates, lids, bowls, and containers. As the campaign continues throughout 2003, additional product groupings also will be featured in the ads.

Magazines were selected for the publication's ability to reach customers and prospective customers in the supermarket, food service, food processor and sanitary maintenance industries. Watch for ads throughout the year in *Distribution Sales & Management*, *ID*, *National Provisioner*, *Refrigerated & Frozen*

*Foods (R&FF)*, *Restaurant Business*, *Sanitary Maintenance (SM)*, and *The Shelby Report*.

### **Bunzl/Papercraft Introduces Catalog for Resellers**

Bunzl/Papercraft has introduced a comprehensive 26-page, full-color catalog featuring photographs, descriptions and specifications for each item in the extensive Prime Source® product line of disposable paper and sanitary maintenance products.

Available to distributors exclusively through Bunzl/Papercraft, the Prime Source® line encompasses an array of high-quality products designed specifically to meet the needs of resellers in the foodservice, janitorial, industrial and health care industries. The catalog can be used independently or in conjunction with Bunzl/Papercraft online ordering, which is available 24 hours a day, 7 days a week at [www.bunzldistribution.com](http://www.bunzldistribution.com).

75,000 copies of the catalog have been produced.

## SALES SCENE

### **Koch-Packers Wins Multi-Million Dollar Supply Program**

Bunzl has significantly strengthened its reputation as one of the nation's leading suppliers of food processing plant operating supplies with a new long-term multi-million dollar supply program for the Koch-Packers group with Tyson Foods, Inc. Headquartered in Springdale, Arkansas, Tyson Foods is the world's largest processor and marketer of beef, chicken and pork.

After acquiring Iowa Beef Processors (ibp) about a year ago, Tyson Foods decided to identify a single strategic supply partner for plant supplies. Both Koch Supplies and Packers had well-established relationships with Tyson's poultry plants and ibp on personal issue items and small kill-floor equipment, respectively. That experience, combined with the full-service resources of the Bunzl-Koch-Packers group, proved to be a distinct advantage in Tyson's decision.

In addition to the plant rollout program at poultry and fresh meats plants, a supply program at Tyson's further processed protein plants will begin during the next few months. As efforts to expand product offerings continue with Tyson, two new inventory stocking locations have been added to Bunzl's distribution network and a new warehouse has been opened in northwest Arkansas.

### **Divisions Name Ellstein and Lambert "Top Gun"**

Lary Ellstein of Bunzl/New York, and Brett Lambert of Papercraft/Albuquerque were honored as the "Top Gun" for the Eastern and Western Divisions, respectively. The Top Gun award is determined by rankings in sales dollar growth, margin dollar growth and percent reduction in outstanding receivable days compared to all other sales representatives in the division. Ellstein also was a Top Gun recipient in 1998.

In the Eastern Division, the Chairman's Club winner was Ellstein and President's Club winners included Aron Charmatz, New Jersey; Barry Galivan, Schrier; John Hish, Philadelphia; Dan Hunter, Vancouver; Sam Litzman, New Jersey; and Mark Schissler, Schrier. In the Western Division, the Chairman's Club winners were Rob Bern, Chicago; and Tracy Massarand, St. Louis; in addition to Lambert. President's Club winners were Eric Bruce, Papercraft/Los Angeles; Kim Donovan, Papercraft/Las Vegas; Curt Easter, Papercraft/Albuquerque; and Matt Myers, Papercraft/Seattle.

"Considering the industry-wide deflation in prices in 2002, the sales increases in both divisions represent both a tremendous effort and remarkable performance by these

individuals, as well as their support branches,” said Pat Larmon, president, Western Division.

### **Million Dollar Milestone for Re-D Sales**

When Rob Bern was recognized as the first to set a record for \$1 million in redistribution sales in one month for the Mid-Central region, his general manager, John Mihelich, was not surprised. “Rob has done an exceptional job in growing his territory, developing great relationships with customers, and identifying special opportunities with food distributors and jan-san suppliers,” said Mihelich.

Bern, who has been a redistribution sales rep for the past two and one-half years, actually began his career with Bunzl in 1998 as a day shift receiver while attending college. According to Mihelich, Rob has always been a very focused, high-energy worker, who thrives on challenge.

### **“Go For The Gold” Boasts 17% Sales Increase**

When Carnival’s cruise ship, *Imagination*, leaves port those on board will include the 10 sales reps and two sales managers who have won the most recent “Go for the Gold” sales contest for their respective divisions. Those winning trips for two from the Western Division were sales manager, Rob Cristinzio (Minneapolis), and sales reps Rob Bern

(Chicago), John Ray (Papercraft/Los Angeles), Scott Lacher (Papercraft/Los Angeles), Sarah Rohlof (Chicago), and Dave Rosche (Indianapolis). Winners for the Eastern Division were sales manager, Tim Corcoran (Philadelphia), and sales reps David Christie (Greensboro), Bryan Turner (Atlanta), Ken Ainsworth (Atlanta), Jack Wanner (Jersey), and Barry Gallivan (Schrier).

Company-wide, registered “Go for the Gold” customers generated a 17% sales increase and a 32% unit increase from last year on sponsored items. In addition, “Go for The Gold,” which ran from September through December, also expanded opportunities to enhance relationships with preferred vendors.

According to Eric Peabody, director of marketing, “Go for the Gold” was a tremendous success. “It continues to reward our loyal customers who support Bunzl/Papercraft and the vendors who sponsor products,” he said.

The sales contest rewards sales representatives and sales managers who excel by increasing redistribution customer sales, with a special focus on supported preferred supplier products. In addition to challenging sales reps to generate both unit increases and profit increases for sponsored products, they also are judged according to

their customers' total accumulation of "Go for the Gold" points for sponsored products.

"Each of the winners worked hard at embracing the program's goals," said Peabody, who manages the "Go for the Gold" program. "We look forward to welcoming the winners and their guests, as well as nearly 750 customers on the April cruise." He added that the four-day cruise leaves Miami on April 10 with stops in Key West, Cozumel and Playa del Carmen.

#### **BUNZL ACQUIRES REDISTRIBUTION BUSINESS OF SAXTON, INC.**

Bunzl has expanded its North American services division with the acquisition of Saxton, Inc. Based in Phoenix, with branch offices in Denver and Kansas City, Saxton had sales of \$23.8 million in fiscal year 2002, which ended in September.

Saxton is a regional redistribution business primarily focused on sanitary maintenance supplies, foodservice disposables and disposable packaging products. Operating throughout Southern California, the Southwest, Rocky Mountains and Lower Midwest, the company is a recognized leader in the industry with a proven track record spanning more than 20 years.

"Saxton is an excellent addition to our redistribution business in the U.S. and strengthens our position in the foodservice and sanitary maintenance segments in that part of the country," said Paul Lorenzini, president and CEO of Bunzl Distribution, Inc. Earlier this year, Bunzl also acquired Kenco Sales, Inc., a regional redistribution business operating primarily in the Pacific Northwest and Hawaii.

#### **SUPPLIER SUCCESS**

##### **Teamwork Gets Foot in Door for Floor Care Program**

By teaming up with Cleaning Technologies Group (CTG), a preferred vendor for premium floor care and sanitation products, Bunzl secured an important new program with Fairplay, the largest independent retail grocery chain in Chicago and a leader in its category. The service-supported floor care program features CTG's Franklin® brand products, including the new TRUMIX™ chemical management system, Cleanrinse® cleaner/degreaser, and AQ+™ sanitizer/disinfectant, as well as Franklin's outstanding installation, training and service.

"The program meets Fairplay's needs by bundling top-notch service and training with excellent sanitation products," said Paul Pellack, sales representative for Bunzl's Mid-Central Region.

“In addition, Franklin’s Bob Kluge and his staff are outstanding in supporting Bunzl’s efforts by training Fairplay management and providing ongoing support for all locations.”

### **Hand-in-Hand for Wellness**

Bunzl is working hand-in-hand with GOJO Industries on the company-wide launch of a program to make PURELL® Hand Sanitizer product available to all employees. The program, called “PURELL-at-Work,” is designed to reduce the spread of germs through hands, the program features wall-mounted dispensers of Hand Sanitizer with refills provided. According to GOJO, several recent studies have shown that hands are the primary mode of transmitting infectious diseases, with up to 80% of common illnesses resulting from handling ordinary objects like computer keyboards, desks, doorknobs, telephones, copiers and other shared items.

As an alcohol gel hand sanitizer, PURELL kills 99.99% of most common germs in as little as 15-seconds without sinks, water or towels. And, it’s actually gentler than soap and water hand washing.

Gene Perry, manager of employee relations for Bunzl, believes the program is a win-win for

Bunzl and GOJO. “In addition to making all employees more aware of preventive measures they can take to keep themselves healthy, it visibly demonstrates our commitment to our supplier’s product,” said Perry.

### **The Value of the Customer**

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Some people feel that customers are the lifeblood of our businesses. They even say the customer may be the most important part of a business. There are some of us that would argue that their employees are the lifeblood of their business. For the record, I could argue for both sides. After all, you need employees of a company to make or do the “stuff” that customers buy. Without customers, you have no one to sell to. Without customers you don't make money, you can't keep people employed, and ultimately don't have a company. Yes, customers are very valuable. But, let's take this a step further.

Have you ever thought about the financial value of your customer? Let me give you an example. Let's say you own a grocery store. The average customer buys \$50.00 of groceries each visit, and they visit the store twice a week for 50 weeks each year. In a year, the customer is worth \$5,000.00. Let's say the average customer moves every seven years, so over a period of seven years, the customer is worth \$35,000.00. Wow!

But there is more. You have to believe that if you do a good job, your happy customers are going to refer others to you, such as a new neighbor who just moved into the area. Conservatively, let's say the average customer refers at least two new customers to you.

These referrals don't make the existing customer spend more, but they are worth at least \$70,000.00 of new business. So, losing one customer can you over \$100,000.00!

(\$35,000.00 plus \$70,000.00 worth of referrals)

This type of reasoning applies to virtually any type of business. The important point here is to be able to see the big picture.

If you are the grocery store owner and a customer complains about the steak they bought last week, give them their money back. And, don't stop there. Give them some "free" steak for their next meal. It may cost you \$10.00, but that is less than 1/100 of one percent of what the customer is ultimately worth.

Every business has different numbers, but the principle still holds true. There will always be returns, refunds, complaints, etc., and by cheerfully taking care of them you build trust and customer retention. Even the people/customers whose problems you take care of, yet never do business with again, can be valuable.

A few years ago I conducted public seminars. This seminar was very successful and problems were virtually nonexistent. However, at one seminar, halfway through the first day, a gentleman came up to me and said he didn't want to attend the rest of the seminar. The program was not what he had thought it would be.

He had spent a lot of money to attend the seminar, and was prepared to fight for his money back. I asked him if we could talk about this during our lunch break and he agreed.

When we met, he gave me his reasons. Whether I agreed with him or not didn't matter. I immediately offered to give him his money back. He was shocked. He didn't think it would be so easy. He used words like honest and ethical to describe our company.

A few weeks later we received a call from a potential customer. He was referred to us by the man who was unhappy with the seminar! And a few weeks later, he referred another

customer. Our unhappy seminar attendee was sending us business!

Finding the value of a customer is easy. What is the average sale per customer? How often does he/she buy? How long will a customer buy? Multiply those three together and you have the value of the customer.

But, don't forget the referral factor. Will the happy customer refer two, three, four or more customers to you? Multiply the value of your customer times the number of referrals. Now you will have a better understanding of the value of your customer.

Taking care of customer problems doesn't always mean giving money back. Sometimes problem solving needs creativity or just simple common sense.

For example, my car had a problem and the warranty had just expired. I talked to the dealer and he fixed it without charging me - even though it was outside of the warranty period. Why? Because he knew the lifetime value of his customer far exceeded the very small cost of keeping me happy.

Everyone in the organization should know the value of a customer. It will validate the importance of the employee and the decisions they make.

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## VENDOR VIEWS

**Cryovac/Sealed Air Corporation** is demonstrating its continuing focus on controlling meat case shrink with its Dri-Loc® Theft Sensor Pad. Featuring the Sensormatic Ultra-Max® theft-sensor label that is securely imbedded and totally concealed in the pad during manufacture, it electronically detects any labeled merchandise that is not paid for as it is removed from the store. In addition to reducing meat department shrink from shoplifting because the label is difficult to detect and remove, retailers save labor costs by not having to manually apply sensor labels. In addition, the Sensormatic Ultra-Max® label, which works even when wet or frozen, is designed to withstand the rigors of fresh meat packaging.

**Nashua Corporation** has introduced new sales opportunities through its Specialty Paper Division and Label Division. The Specialty Paper program includes various ways to increase the value of receipt rolls to supermarket customers with custom printing of logos and promotional messages, security printing technologies to minimize receipt fraud, and package deals offering bundling bond receipt rolls. Unique label products include Blue Image Direct Thermal Scale Labels, Coupon Scale Labels, and Thermal compatible inks. For more information,

contact Mike Hudson, National Account Manager, at 704-531-2698 or Steve Davis, National Account Manager-Label Products Division, at 901-937-5010.

**Reynolds Food Packaging**, an Alcoa business, has expanded its Microware Supreme line of chicken roasters for take-out. Designed for hot, ready-to-eat products, as well as ready-to-heat products in freezers and chilled cases, the durable black, polypropylene containers can withstand warming oven temperatures up to 180°F for domes, and 230°F for Polypropylene bases. Products include the Chicken Coupe, plain and with handles, featuring a wide panel dome and special anti-fog coating, and the Magnum Roaster for extra large chickens. Containers have raised bottoms and crystal clear domes provide a leak-resistant fit and are vented for release of steam.

**Rubbermaid® Commercial Products** has introduced StockMate® restocking trucks, a practical approach to transporting cartons and stocking shelves. Offered in Standard Deck and unique Hinging Deck models, StockMate® features a Duramold® structural foam plastic deck with a diamond plate design to reduce load slippage. An integrated perimeter "liquid retention channel" also collects condensation and container leaks. The ES model hinges and folds, enabling quick conversion to a smaller truck that reduces storage space

requirements. For information on patent-pending features and additional product details, check out [www.rubbermaidcommercial.com](http://www.rubbermaidcommercial.com).

**Solo Cup Company** is promoting a full line of paper hot cups featuring the Traveler® lid, which reduces spillage and minimizes back splash. Available in three creative designs, Bistro™, Mistique™ and Meridian™, cup sizes range from 4 oz.-20 oz. Later this year, Solo will introduce a 24 oz. paper hot cup, as well as the Traveler Plus™, an innovative lid featuring an enclosable mouth opening for secure transportation.

WNA Comet has introduced the new CaterLine PET Pack n' Serve disposable bowls, which can be used for transporting salads, fresh fruit and snacks. Bowl sizes in both black and clear include 48, 80, 160, and 320-oz. The bowls may be nested for stability during transport because of a unique stacking system. A leak resistant lid and wide locking rim design eliminate messy spills, and generously sized, contoured tabs ease lid removal and help avoid accidental tipping. For additional information and samples, contact your WNA representative or visit [www.wna-inc.com](http://www.wna-inc.com).