



Special Workforce Development Series Webinar

Presented by:



Master of
Industrial
Distribution
COLLEGE OF ENGINEERING

Levers to Outgrow the Market: *Distributor's Growth Blueprint for 2026*



Master of
Industrial Distribution
COLLEGE OF ENGINEERING

Levers to Outgrow the Market: Distributor's Growth Blueprint for 2026



Dr. Bharani Nagarathnam
Director, MID Program
Associate Professor of Instruction
Co-Founder, Talent Development Council



Steve Ebel
Associate Director
Master of Industrial Distribution
Texas A&M University

March 25, 2026



Texas A&M University

Largest University in the US

- Established 1876 ~ 150 Years
- 72,000+ Students. 4,100 Faculty
- 150+ Undergraduate Degrees
- 260+ Graduate Degrees

College of Engineering

- **Top 10** Public **Engineering** Schools
- **#9** Undergraduate & **#8** Graduate
- **15** Departments ~ 25,100 Students
- **# 1** in Engineering Research: \$444.7 million





Five Facts About the MID

1

Part-time, Online Master's Degree for Working Professionals

- Can be taken from anywhere in the world
- 21 Months
- Four 15-Week Semesters

2

Targets the Technical/Industrial/Engineering B2B Space

- Manufacturing and Construction
- Distribution and Wholesale
- Industrial Services and Technology

3

Curriculum is Flexible, Real-World, and Real-Time

- Fully Online, Asynchronous, and Digitalized
- Classes are dual-taught by traditional professors and industry executives

4

High Impact Learning Experiences

- Residency Experience on campus each August in College Station, Texas
- Capstone Project addressing opportunity at your company
- Global Trip (past destinations include France, China, India, Argentina, Singapore)

5

Expand, Strengthen, and Deepen your Professional Network

- Become a Part of One of the World's Largest and Most Loyal Alumni Networks
- Aggie Ring Eligible



MICRO LESSON

Levers to Outgrow the Market: Distributor's Growth Blueprint for 2026



Dr. Bharani Nagarathnam

Director, MID Program

Associate Professor of Instruction

Co-Founder, Talent Development Council



Seven Key Patterns in Distribution Growth & Profitability

1. Value-Add Services Drive Premium Margins

- Service-wrapped products beat pure distribution (Service Innovation > Pure Logistics).
- Specialization > generalization in mature markets.

2. Digital Leaders Are Pulling Away

- Lower cost to serve, 24/7 sales increases wallet share, & younger buyers prefer digital.
- Better customer data = personalized pricing and recommendations.

3. Scale Advantages in Low-Margin Businesses

- The "Scale or Fail" pattern in commodity distribution.
- Need purchasing power, logistics network, & working capital efficiency

4. Mitigating Vertical Integration by Manufacturers and Contractors

- Manufacturers are seeking to serve large customers with direct-to-jobsite models
- Differentiate on speed, support, and problem-solving, not just brand and inventory.



Seven Key Patterns in Distribution Growth & Profitability

5. The Great Consolidation: Disciplined M&A in Fragmented Markets

- Many acquisitions fail to deliver perceived value due to poor integration, costly technology integration, salesforce dissatisfaction, and cultural mismatch.
- Fragmented markets reward aggressive consolidators.

6. Workforce Shortage and Skill Gap Widens

- If you think it's hard to find skilled talent now, it is only going to get difficult.
- Invest in frontline capability. People drive performance – period.

7. The Hidden Profit Driver: Working Capital Efficiency

- Better turns = less capital tied up = higher returns.

Meta-pattern: Distribution is bifurcating into **high-value specialists** and **low-cost logistics players**. The middle is being eliminated.



Future of Distribution

- **Future:** Service-focused, Digital-driven, New business models.
- There is a **Strategy-Execution Gap**.
 - Everybody has ideas. Ideas are cheap.
 - Ideas are a commodity. Ideas are overrated.
- Strategy Is A Commodity. Execution Is The **Differentiator**.
- Competition is stiff, and margin compression is eroding profitability.
- Customers expect more from distributors. It's an opportunity.
- The **Speed** at which Companies grow depends on your **Talent**.
- **Technical Skills** Needed to Drive Growth Have Changed.



Growth & Transformation

▪ Growth Strategy

- Market Penetration
- New Product or Service Development
- New Market Development
- Diversification

$$ROA = \frac{\text{Sales} - \text{Costs}}{\text{Assets}}$$

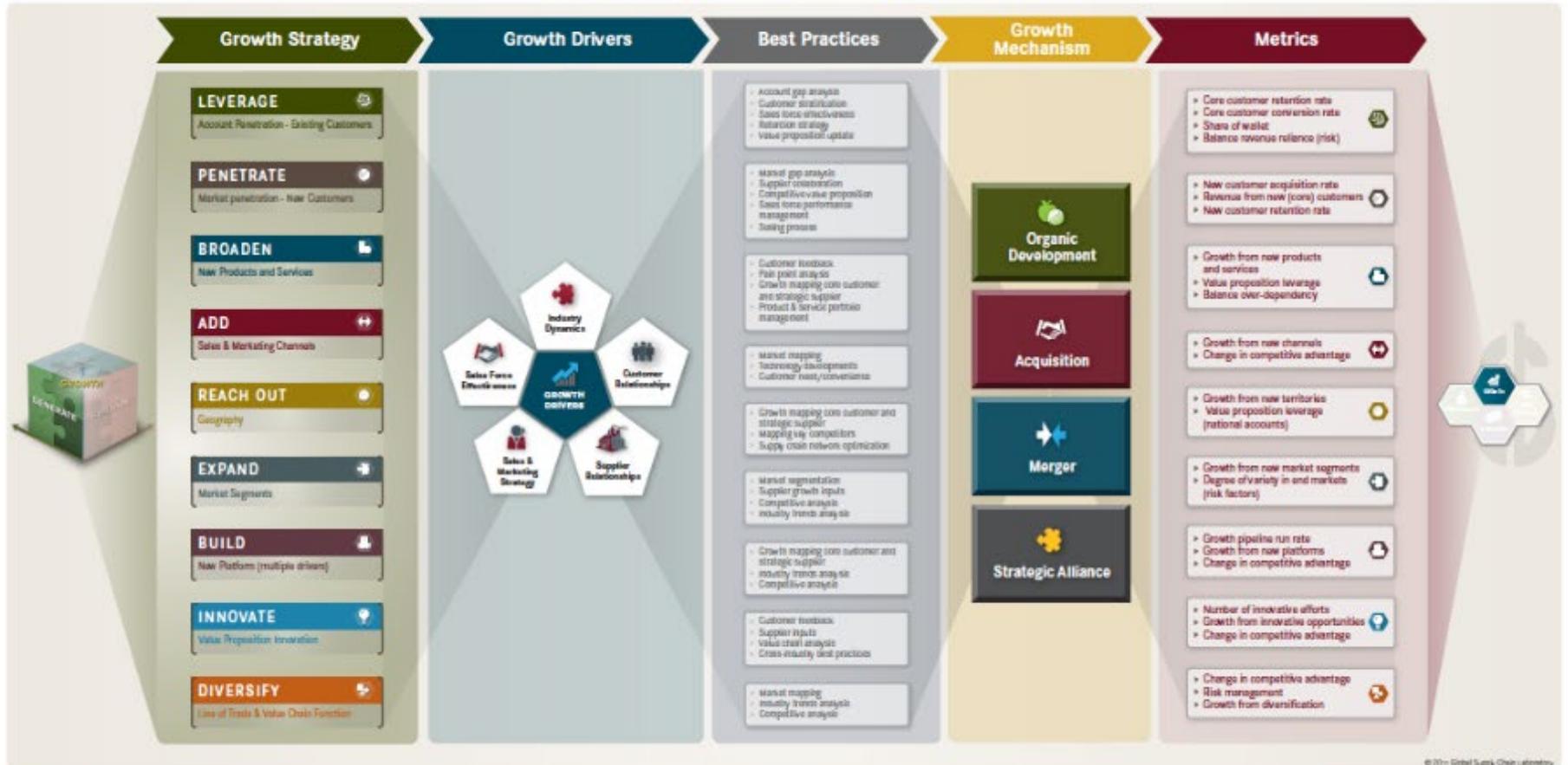
▪ Operational Improvement

- Cost Reduction
 - SG&A, Transportation, IT, etc.
- Asset Reduction
 - Inventory, Warehouse, Trucks, etc.

$$ROA = \frac{\text{Sales} - \text{COGS} - \text{Expenses}}{\text{Average Total Assets}}$$

GENERATING GROWTH - BEST PRACTICES

How do we generate growth opportunities?



Nine Growth Levers

1. **Leverage:** Leveraging existing customer accounts
2. **Penetrate:** Penetrating new customers in existing market segments
3. **Broaden:** Broadening product and service portfolio
4. **Add:** Adding new sales and marketing channels to reach customers
5. **Reach Out:** Reaching out to new geographies or territories
6. **Expand:** Expanding into new market segments
7. **Build:** Building new platforms by integrating multiple growth strategies
8. **Innovate:** Innovating through value proposition novelties and reaching niche markets by altering value positioning
9. **Diversify:** Diversifying across value chain (vertical) + line of trade (horizontal).

Growth Strategy – Leverage

Account Penetration – Existing Customers

GROWTH DRIVERS



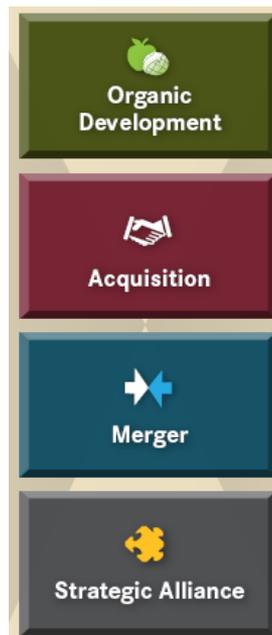
BEST PRACTICES

- ▶ Account gap analysis
- ▶ Customer stratification
- ▶ Sales force effectiveness
- ▶ Retention strategy
- ▶ Value proposition update

METRICS

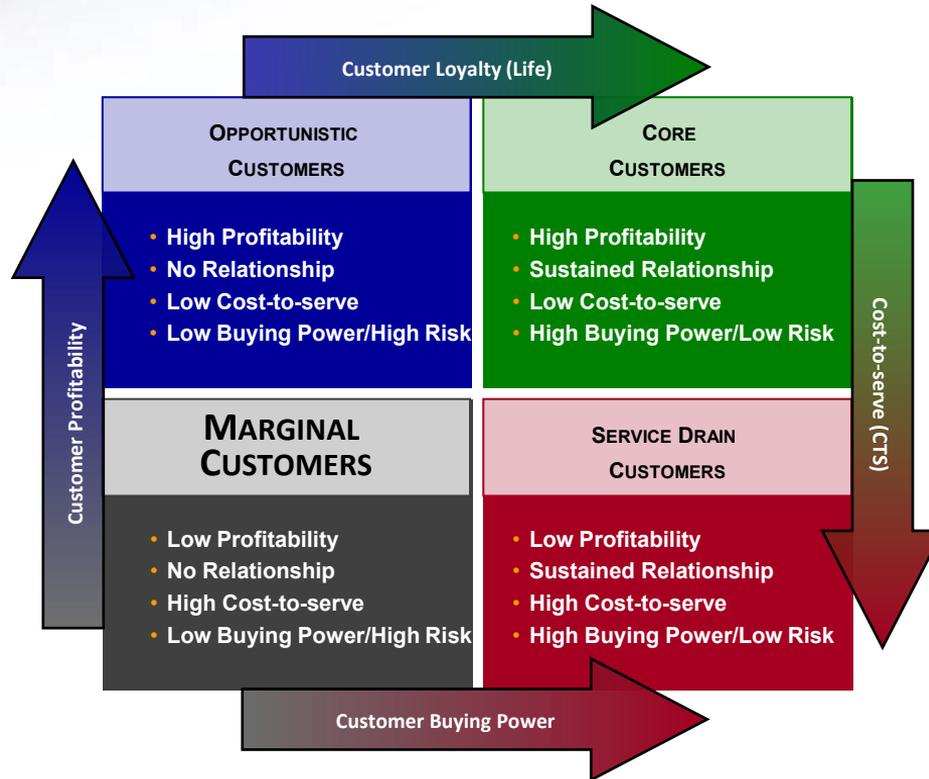
- ▶ Core customer retention rate
 - ▶ Core customer conversion rate
 - ▶ Share of wallet
 - ▶ Balance revenue reliance (risk)
- 

GROWTH MECHANISMS





Customer Stratification





Customer Ranking Dashboard

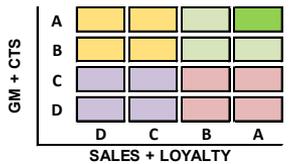
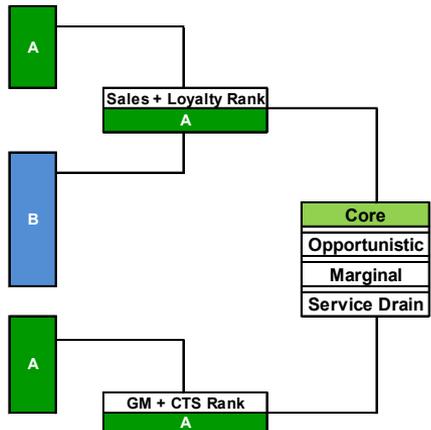
Local Rank	Global Rank	Customer Life (Yrs)	PF Basket %	Item Basket %
Core	Core	1.10	100.00	98.50

IMPORTANCE	60%			
	SALES			
1	100%	Sales \$	\$ 767	A

IMPORTANCE	40%			
	LOYALTY			
1	50%	Hits	2	A
2	33%	COV	100%	D
3	17%	Trend	100%	A

IMPORTANCE	70%			
	GROSS MARGIN			
1	67%	GM \$	\$ 161	A
2	33%	GM %	21%	C

IMPORTANCE	30%			
	CTS			
1	20%	Avg Order Size\$	\$ 1,935	A
2	18%	Avg Line Size\$	\$ 1,155	A
8	4%	Avg Line Item	2	C
5	11%	DSO	14	B
9	2%	%C D L Sales\$	20.24%	B
7	7%	%C D L Items	60.06%	D
6	9%	Quotes	35	D
3	16%	% Delivery Exp to GM	-281.15%	A
4	13%	% Operating Exp to GM	8.45%	B





Summary: Distributor's Growth Blueprint

- **Market:** Consolidations to continue, tighter labor market, supply chain disruptions, higher transportation costs, profitability pressures.
- **Never Normal:** Dynamic, Macro changes, Increased rate of change.
- **Customer Expectations:** Streamlined hybrid buying experience, value-added services.
- **Disciplined Growth:** Take a holistic view. Grow Sales & GM.
- Strategy is only “plan on a paper” – **People** execute Strategy.
The **SPEED** at which Companies grow depends on your **TALENT**.
- **Growing Talent** is better – Cultural Fit, Succession Plan

The MID Advantage

Master of Industrial Distribution Overview



Steve Ebel

Associate Director

Master of Industrial Distribution

Texas A&M University



First Year Curriculum

YEAR 1

AUGUST | RESIDENCY WEEK

Academic Overview & Student Resources · Distribution Competitiveness Guide Overview · Faculty Connection & Course Previews · Peer Networking and Former Student Panel · Aggie Experience: History and Traditions

FALL

IDIS 650: The Science of Distribution

Distribution Strategy · Sustained Competitive Advantage · Optimizing Distributor Profitability · Framework · Financial Framework · Opportunity & Capability · Value Added Services · Relationship Management

IDIS 652: Digital Distributor

Digital Transformation · Analytics Framework · Business Insights · Marketing / Branding · Omni Channel Experience · eCommerce · Social Media · Software Selection & Implementation · AI, Bots & IoTs

SPRING

IDIS 651: Distribution Customer Experience

Customer Stratification · Customer Insights Pricing Science · Value Proposition Design · Value Creation · Market Intelligence · Digitizing the Sales Process · Changing Role of Sales Force · Customer Engagement

IDIS 664: Distribution Profitability Analysis

P&L · Balance Sheet · Income Statement · Cash Flow · Internal Rate of Return · Time Value of Money · Net Present Value · Capital Investment Decisions · Mergers & Acquisitions · Risk Management





Second Year Curriculum

YEAR 2

AUGUST | RESIDENCY WEEK

Capstone Project Process & Resources · Capstone Project Advisor Breakout Sessions · Faculty Connection & Course Previews · Peer Networking and Former Student Panel · Aggie Experience: Aggie Ring & Network

FALL

IDIS 653: Distribution Operational Excellence

Inventory Stratification · Forecasting · Purchasing Policies · Warehouse Mgmt. · Network Optimization · Transportation · Lean Distribution · Value Stream Mapping

IDIS 657: Distribution Growth, Models, and Drivers

Market expansion · Growth drivers · Generating Growth · Managing Growth · Sustaining Growth · Sales & Marketing · Case Studies · OPTIONAL Global Trip

IDIS 660: Distribution Capstone Project - Part I.

Distribution Transformational Project · Problem Identification · Steering Committee Presentation · Background Research · Data collection/analysis

SPRING

IDIS 656: Leading People and Managing Performance

Distribution Culture · Change Management · Talent Planning · Talent Acquisition · Talent Management (Sales Management) · Talent Development · Talent Retention · Employee Engagement · High-Potential & Leadership Development

IDIS 654: Distribution Channel Development

Role of Distributor · Supplier Selection & Mgmt. · Channel Management Methodology · Design Channel Goals · Developing Channel · Value Proposition · Manage Channel Alignment · Adapting to Channel Forces

IDIS 665: Distribution Capstone Project - Part II

Distribution Transformational Project · Steering Committee Meeting · Solution / Recommendation Development · Mid-Project Critical Review · Final Recommendation · ROI Calculation · Final Steering Committee Presentation · Final Report · Graduation

CAPSTONE PROJECT & GRADUATION





High-Impact Learning Experiences

- ❑ Residency Experience each August in College Station
 - Meet faculty and receive course overviews
 - Teambuilding and networking with fellow students
 - Receive iPad Pro
- ❑ Capstone Project
 - 9-month strategic project each student performs for their company
 - Assisted by faculty advisor
 - Leverage the research resources of Texas A&M University
 - Record of high ROI for sponsoring companies
- ❑ Global Experience
 - Team projects with international firms
 - International trip to meet your sponsoring company, tour facilities, and learn about business in a different country
 - Past countries include France, Germany, China, Argentina, India, and Singapore





NAED MID Scholarship

- \$5000 Scholarship opportunity for employees of NAED member companies
- Apply to Texas A&M MID program
- Note in application that you are applying for the NAED Scholarship
- May 31 Application Deadline



Dr. Daniel F. Jennings Memorial Scholarship Program

Established for **working professionals** looking to accelerate their careers with an **online master's degree** from a **respected university**

\$5,000 Scholarship opportunity as an employee of an NAED member company

Scholarship Requirements

- Employee of an NAED member company
- 5+ years of experience in distribution, sales, manufacturing, industrial services, or B2B technology
- Considered high potential for management or leadership.
- 4-year bachelor's degree from an accredited US university.

Application Instructions

1. Apply to **Texas A&M Master of Industrial Distribution** degree program for Fall 2026. The link to the application portal can be found on mid.tamu.edu.
2. Notify the MID program that you are an employee of an NAED member company and want to apply for the Jennings Scholarship.
3. Application deadline for Fall 2026 is **May 31, 2026**. Admissions are rolling and early applications are encouraged.

CONTACT INFORMATION

Steven J Ebel, Associate Director of Recruiting
Master of Industrial Distribution, Texas A&M University
sjebel@tamu.edu
979.458-3145





Application Process

Application Section	Estimated Time
EngineeringCAS Profile	15–20 Minutes
Recommender Names & Requests	15–20 Minutes
Request Unofficial College Transcripts	15–20 Minutes
Updated Resume	30–60 Minutes
Statements (Personal & Impact)	1–2 Hours
TOTAL	2–4 Hours

Admission Requirements

Industry Experience

- A minimum of **five years** of professional work experience.
- Experience in **B2B sales, distribution, manufacturing, industrial services, or technology** is preferred.

Undergraduate Degree

- You will need a **4-year Bachelor's degree** from an **accredited US (domestic) university** OR an undergraduate degree from an international university that is **equivalent to a US 4-year undergraduate degree**.

- GRE or GMAT scores are NOT required.**



Additional Resources



Steven J. Ebel
Associate Program Director
P: 979.458.3145
C: 936.297.1665
sjebel@tamu.edu

- [Download the MID Brochure](#)
- [Monthly Micro-Lesson Webinars](#)
- [Book a Teams Call](#)
- [MID Application Portal](#)

Search more about MID on **LinkedIn: #tamumid**

<http://mid.tamu.edu>



Thank you

Thank you for attending today's Workforce Development Series webinar: Levers to Outgrow the Market: *Distributor's Growth Blueprint for 2026*

The recording of this webinar will be placed on the NAED website page: <https://www.naed.org/wfd-partnerships-texas-am>



WORKFORCE
DEVELOPMENT

