



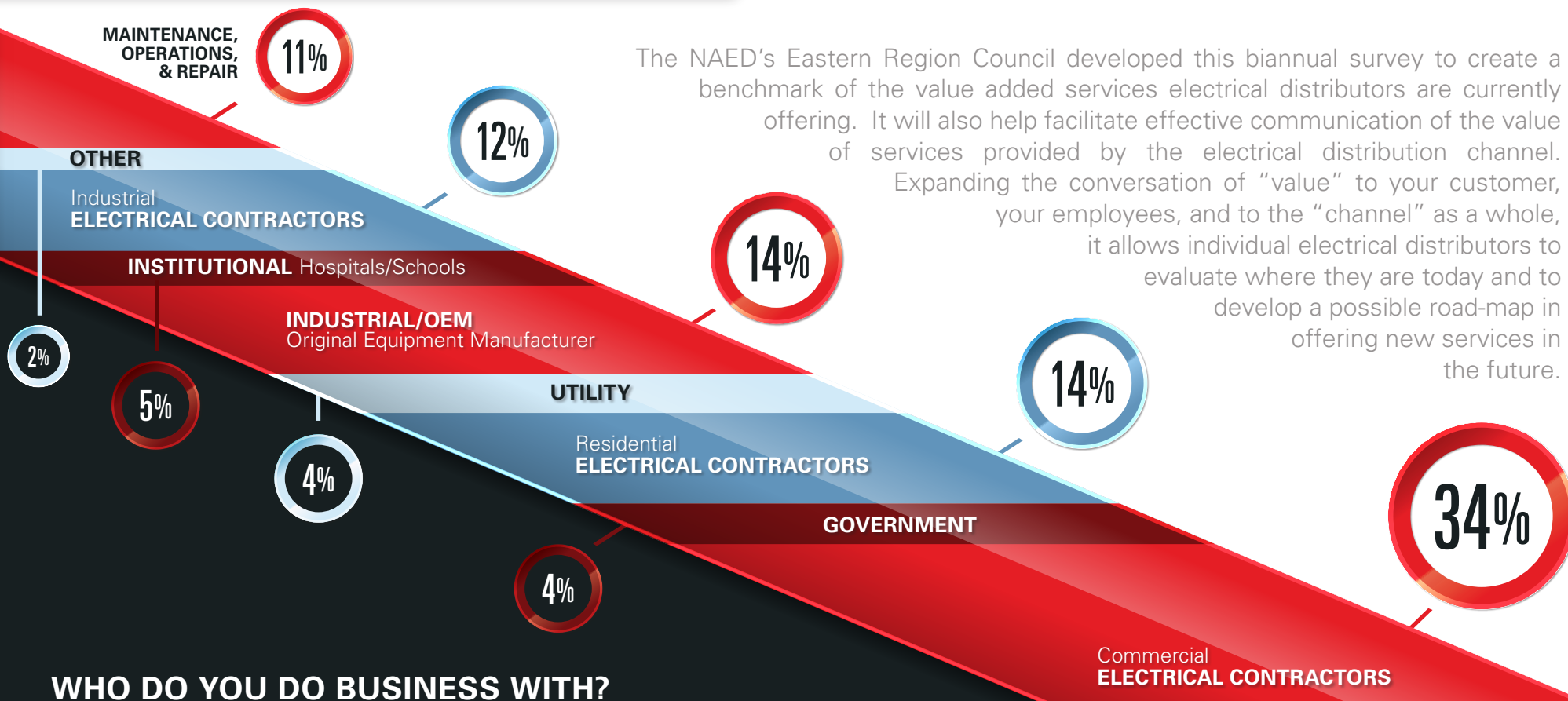
NATIONAL ASSOCIATION OF  
ELECTRICAL DISTRIBUTORS

2014

# SELLING SERVICES BENCHMARKING SURVEY

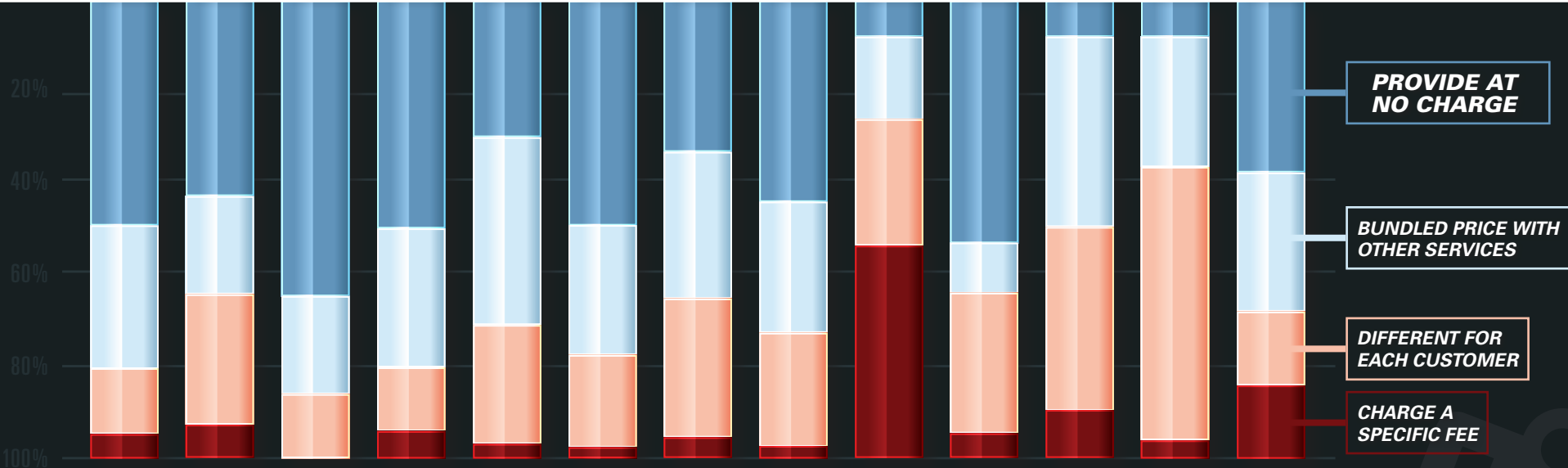
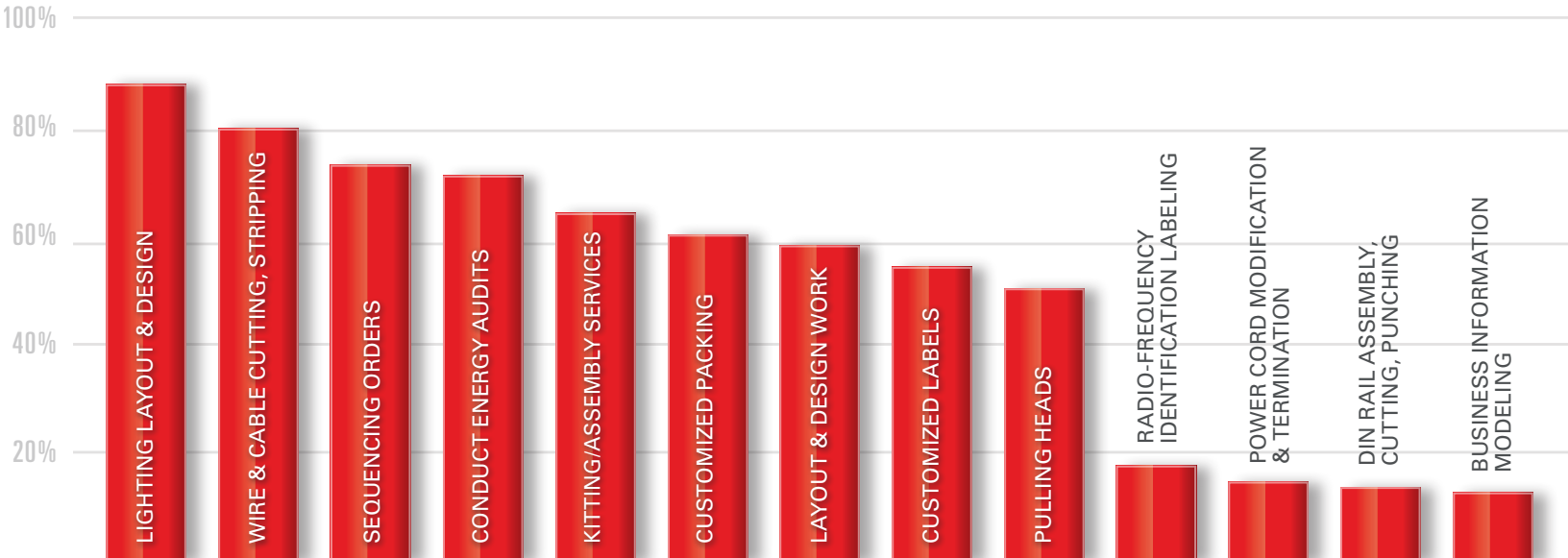
CONDUCTED BY THE NATIONAL ASSOCIATION OF ELECTRICAL DISTRIBUTORS

The NAED's Eastern Region Council developed this biannual survey to create a benchmark of the value added services electrical distributors are currently offering. It will also help facilitate effective communication of the value of services provided by the electrical distribution channel. Expanding the conversation of "value" to your customer, your employees, and to the "channel" as a whole, it allows individual electrical distributors to evaluate where they are today and to develop a possible road-map in offering new services in the future.



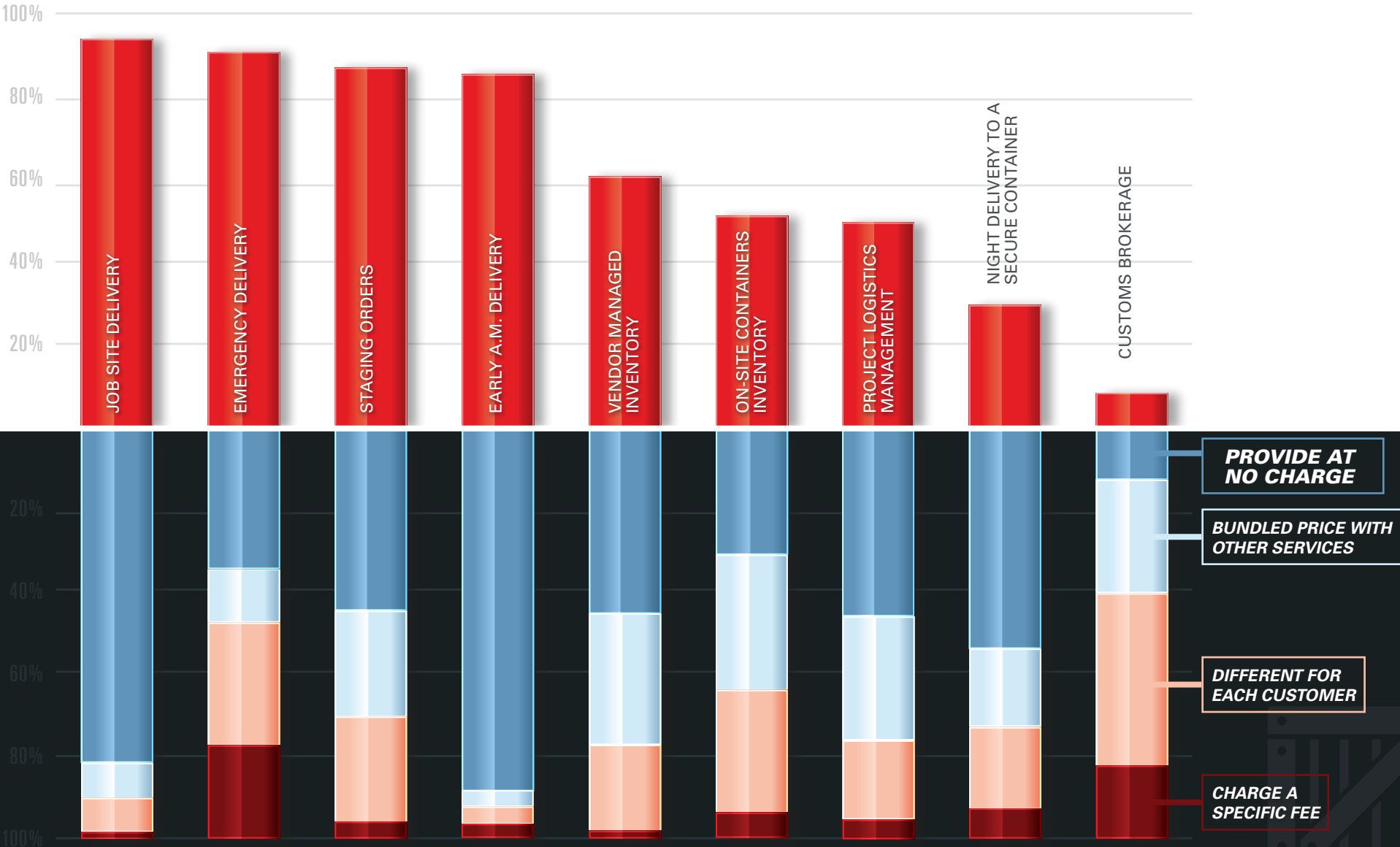
WHO DO YOU DO BUSINESS WITH?

WHICH SERVICES DO YOU OFFER?



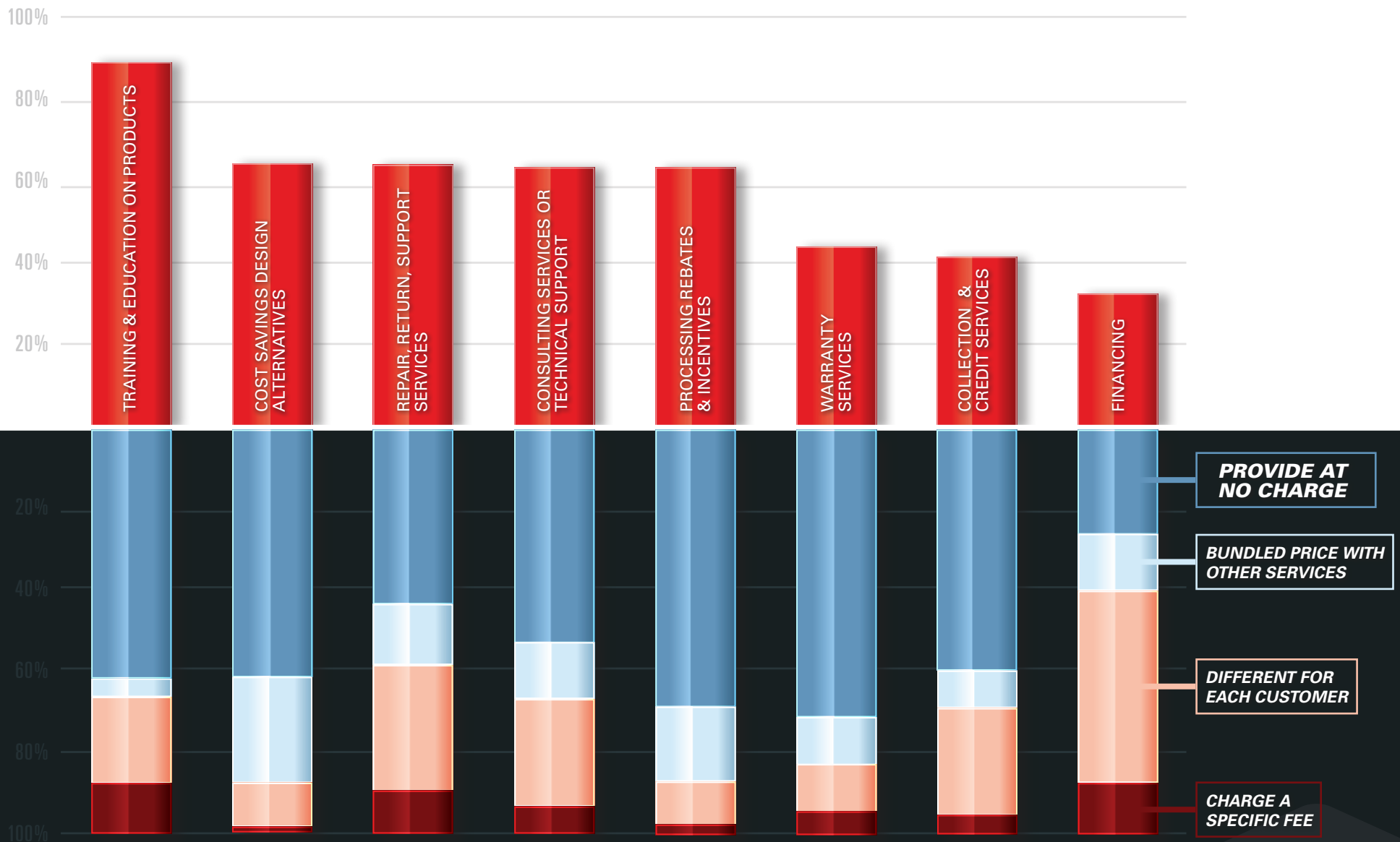
HOW DO YOU CHARGE FOR THESE SERVICES?

WHICH INVENTORY MANAGEMENT SERVICES DO YOU OFFER?



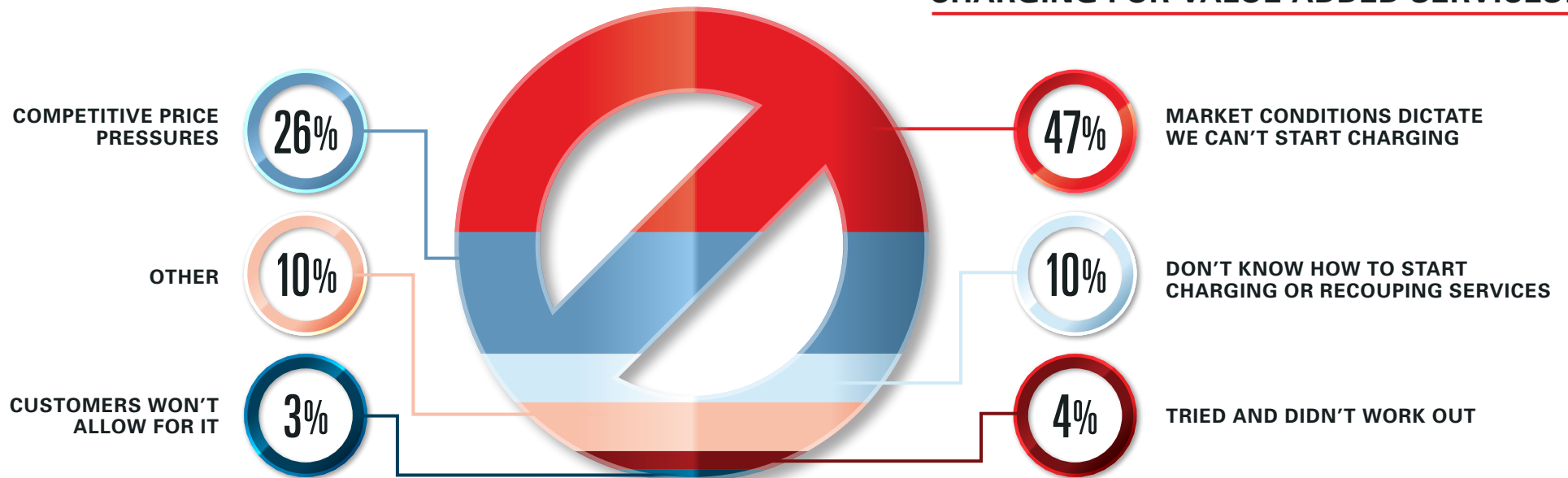
HOW DO YOU CHARGE FOR THESE SERVICES?

## WHICH FINANCIAL & EDUCATION SERVICES DO YOU OFFER?



## HOW DO YOU CHARGE FOR THESE SERVICES?

## WHAT'S YOUR REASON FOR **NOT** CHARGING FOR VALUE ADDED SERVICES?



- 8% - *BILLED INTERNALLY TO ANOTHER DEPARTMENT*
- 12% - *HAVE A SEPARATE BUDGET TO FORECAST GOALS FOR SERVICES*
- 25% - *SERVICES PROVIDED ROLL INTO COPORATE OVERHEAD*
- 55% - *DON'T HAVE SEPARATE BUDGET FOR SERVICES PROVIDED*

## HOW DO VALUE ADDED SERVICES AFFECT YOUR SALES BUDGET?

## WHO MANAGES YOUR VALUE ADDED SERVICES?



MANAGED BY  
**SALES STAFF**



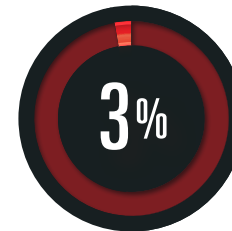
MANAGED BY A  
**DEDICATED TEAM**



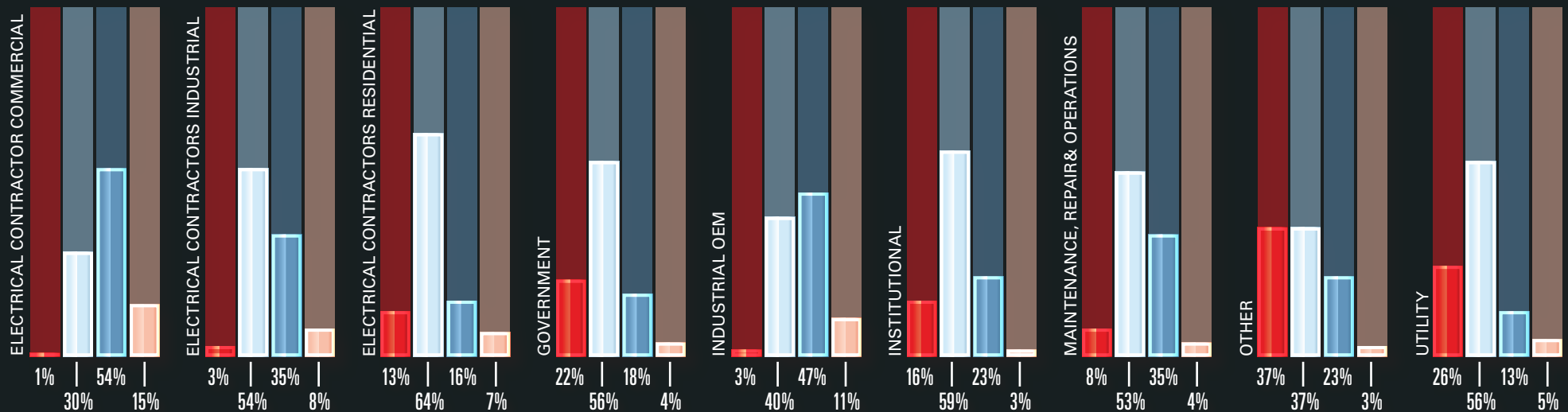
MANAGED BY  
**ENGINEERS**



MANAGED BY A  
**DEDICATED MANAGER**



MANAGED BY  
**OTHER PEOPLE**



## HOW FREQUENTLY DO YOUR CUSTOMERS REQUEST VALUE ADDED SERVICES?

NEVER

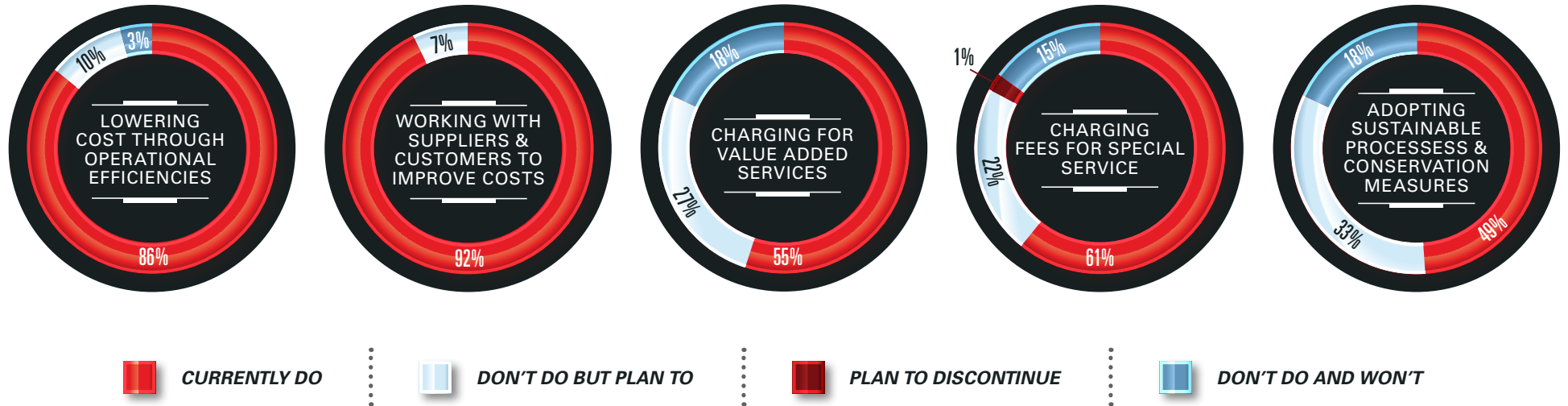
OCCASIONALLY

VERY OFTEN

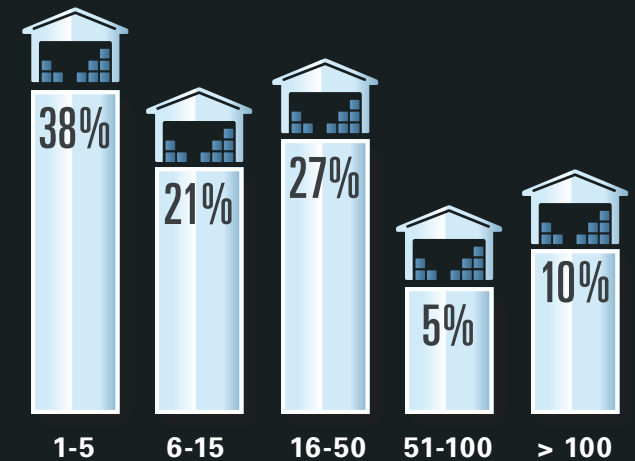
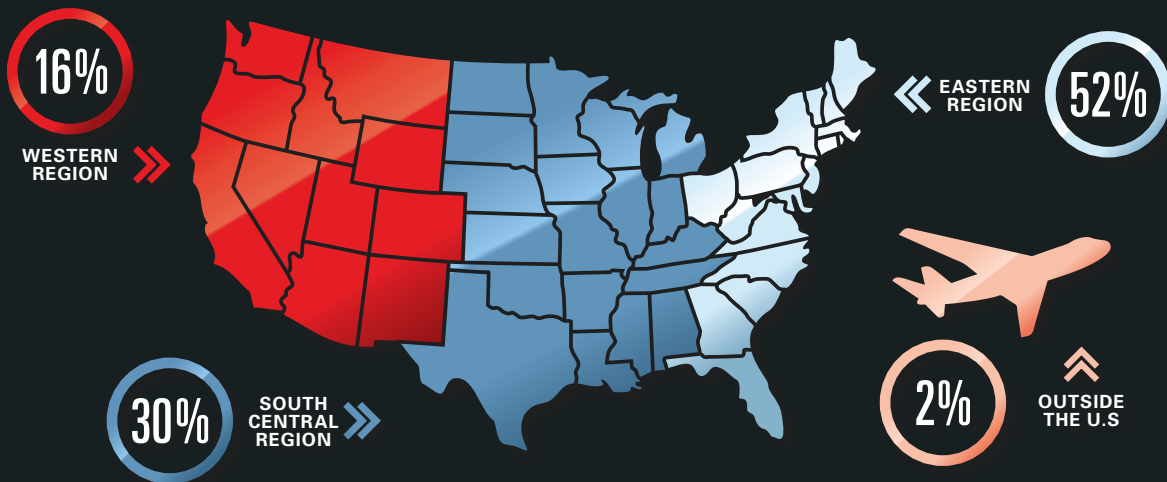
ALWAYS

THE SUM MAY NOT TOTAL TO 100 DUE TO ROUNDING.

## WHAT STRATEGIES DO YOU USE TO STAY COMPETITIVE?



THE SUM MAY NOT TOTAL TO 100 DUE TO ROUNDING.



## WHERE IS YOUR COMPANY'S HEADQUARTERS?

## HOW MANY BRANCHES DOES YOUR COMPANY HAVE?

## WHAT IS YOUR CURRENT OCCUPATION?



ACCOUNTING



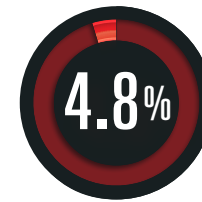
VENDOR RELATIONS



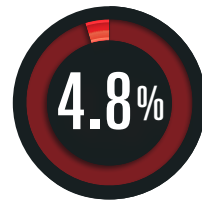
REGIONAL MANAGER



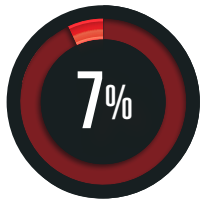
OPERATIONS



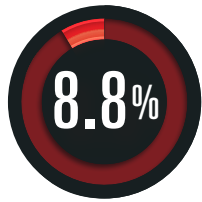
MARKETING



PURCHASING



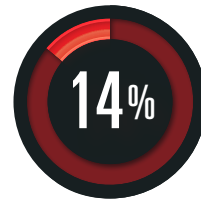
OTHER



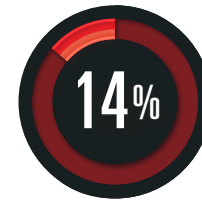
GENERAL MANAGER



SALES



SALES MANAGEMENT



BRANCH MANAGER



OWNER/PRESIDENT



## HOW MANY EMPLOYEES DO YOU HAVE?



## WHAT IS YOUR COMPANY'S ANNUAL REVENUE?



We asked respondents for ideas on how businesses can take full advantage by charging for value added services.

**#1 JUST START!**

**#2** A distributor should be a problem solving company. If your customers problems can be solved by value added services, find a way to get it done.

**#3** Value added services are sometimes the only thing separating you from your competitor.

**#4** Our customers often charge their own customers for value added services. They understand the value proposition when a distributor is a solution provider, rather than a parts delivery service.

**#5** It's critical that we continue to educate our employees on the importance to always look for ways to differentiate so we can stay relevant to our customers and our suppliers.

**#7** Learn how to value your service and assess cost from a true service provider, not a distributor.

**#8** Customers value things if you charge for them. If you give it away they perceive the service as having little value or cost to the distributor.

**#6** Have the courage to get paid for what you do.

**#9** Develop a value add strategy that is unique, difficult, or costly for your competitors to duplicate and SELL the value to your customer base.

**#10** Document customer savings and leverage that at the right opportunity, make sure you get something when you give something.

**#11** Understand what your cost structure is, in order to charge accordingly for your services.