

NETPLUS MEMBER SUCCESS STORY

Posner Industries and JPW Industries See 388% Growth Together

Shortly after joining NetPlus Alliance in the spring of 2018, distributor Posner Industries met with JPW Industries at the Annual Meeting and began exploring opportunities together.

Posner Industries, a family-owned business in the Washington, D.C., area, has grown to become an industry-leading distributor of steel and fasteners, as well as power tools, abrasives and contractor supplies. Their partner in the Growth Plus plan, JPW Industries, is a leading global designer, manufacturer and distributor of branded metalworking and woodworking equipment and specialty shop tools based in La Vergne, Tenn.

THE PLAN

The partnership began when Posner purchased an Edwards Ironworker machine for their steel warehouse through JPW. At the time, they were satisfied with their current supplier of hoists and lifting equipment, but after reaching a mutual

agreement on pricing and support initiatives they decided to move their entire hoist and lifting equipment offering to JPW Industries under the JET Tools brand.

To grow sales together, they chose the following activities:

- **Displays.** JPW Industries provided demonstration products, showroom displays and marketing assets for Posner Industries to use at their five branch locations.
- **Safety Training.** JPW Industries offered on-site safety training programs to sales representatives and end-users for hoists and chain falls.
- **Quarterly Flyers.** JPW Industries provided quarterly custom sales flyers for Posner Industries to distribute to their customers.
- **Inventory Buyback.** JPW Industries bought existing inventory and eliminated the carrying costs Posner had invested with previous supplier.

RESULTS

Posner Industries experienced 388% sales growth of JPW products as a result of this partnership. According to Dave Kerns, Purchasing Agent at Posner Industries, an estimated 80%-90% of that growth was due to converting existing lines to the JPW Industries JET line of lifting equipment including chain hoists, chain falls and electric hoists. But Posner has also experienced new growth with JPW Industries in machinery business and small equipment that Posner was not originally selling.



Posner and JPW won Growth Plus Best in Class at the 2019 Annual Meeting. PIP was also recognized.

WHAT WORKED

Supplier Support

According to Kerns, these gains were largely due to the support of JPW Industries and Regional Sales Manager Chris Wright. Kerns said that Wright played an important role in the conversion, whether it be introducing the product line to customers, performing hands-on demonstrations or speaking with the sales team.

For Wright, the feeling was mutual. "Obviously hoists are great in our distributorships because it gives us a presence," he said. "So when an end-user walks into a Posner, they're going to see JET. That makes us really visible in that way, so just by them letting us put our displays in each of their showrooms was huge."

Training

JPW Industries conducted hoist safety training at no cost at the distributor's branch locations and end-user sites to enhance the distributor's team product knowledge so that they could confidently demonstrate the new line and its advantages to safety directors and business owners.

The safety training offered through JPW Industries was described as a brand-neutral and in-depth educational training session that teaches end-users and the distributor's employees the correct way to use a hoist, how to inspect and recertify a hoist, and how to perform maintenance. The safety training can be used for insurance purposes or to fulfill safety hours and

can be completed in a fraction of the time spent on traditional safety training.

JPW Industries also runs SPIFF programs for distributors, giving cash incentives to the sales team when they set up safety training.

Inventory Buyback

JPW Industries offered inventory buyback as part of the conversion. By eliminating the financial cost of holding inventory, Posner was able to make a clean break from the prior brand, reducing customer confusion over brand selection and allowing Posner to focus solely on the new lifting equipment line.

Enhanced Product Offering

Posner Industries received good responses from their customer base on the switch, especially concerning hoist selection. Customers appreciate the additional choices when selecting a hoist to meet their needs; they are now able to choose a lower-end hoist or a higher-end hoist with more features at a price point the previous brand couldn't match.

Distributor Buy-In

Of the partnership, Wright said: "We got the absolute opposite of resistance, nothing but flat-out support. Everything they've done has been extremely supportive of the relationship."

Matt Dedeluk, Senior Channel Marketing Manager at JPW Industries, agreed, saying: "They are what we call a perfect NetPlus distributor and a JPW partner because they support all of our categories."

The NetPlus Advantage

The NetPlus Annual Meeting was a catalyst for the relationship between Posner Industries and JPW Industries. Both companies say NetPlus provides an atmosphere that allows them to connect with each other and identify opportunities for mutual growth they may not have had. Dedeluk urges other distributors interested in the conversion process to pick up the phone and reach out to JPW Industries directly to see what they have to offer in terms of marketing, pricing and rebates, as well as to discuss getting started on a NetPlus Growth Plus plan. ■

