Breakfast with the Experts
PURCHASING MADE PRACTICAL
@RICCentre
#GYBPurchasing

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Speaker presentation

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Case History - A Successful Supplier to Large Corporations

Rob Abernethy P.Eng, MBA
Ecoinsight Instruments Inc.
Introduction

Ecoinsight Instruments:

✓ Start-up company that will provide smart instrumentation to water, wastewater and liquid handling companies

✓ Part of the Monteco Group of companies – technology incubator and commercializer
Introduction

Green Turtle Technologies:

- Leading manufacturer of wastewater pretreatment devices: oil-water separators, grease interceptors, pH neutralization, rainwater harvesting

- Started and developed for 15 years by the Monteco Group and recently acquired by Zurn Industries, a large multinational supplier of engineered water solutions

- Very successful in securing large corporation business
  - Walmart, McDonalds, Canadian Tire, Tim Horton’s, Loblaws, Costco etc.

- Corporate business represented 40% - 60% of our business
IC&I Water Treatment Device Purchasing Value Chain

✓ Very convoluted value chain for IC&I water treatment devices/plumbing products

Corporate Designers, Architects, Marketing

Specifications, Drawings, RFQ

General Contractor

Mechanical/Plumbing Contractor

Wholesaler

Treatment Equipment Supplier/OEM

Regional Specifying Engineers

Corporate Engineers

Other Stakeholders:
✓ Regulators
✓ Franchisees
✓ Manufacturers Reps
Customer Acquisition
(Four tactics to find and secure corporate customers)

1. Focus your sales resources on the right target (CONTROL THE VALUE CHAIN)

- Specifications, Drawings, RFQ
  - General Contractor
  - Mechanical/Plumbing Contractor
  - Wholesaler
  - Treatment Equipment Supplier/OEM

- Corporate Engineers
  - Regional Specifying Engineers
  - Corporate Designers, Architects, Marketing

GET ON THE “SPECS & DRAWINGS”

DO NOT WAIT FOR THIS CALL

SELL TO THE DECISION MAKERS
Customer Acquisition

2. Solve local problems, then go to head office with examples

Dorval is suing the local McDonald’s restaurant outlet, claiming that it damaged the sanitary sewers with discarded grease.
Customer Acquisition

3. Dedicate Sufficient Resources

- Dedicated Corporate Account Managers (4 out of 12 sales staff at GT)
- Attend corporate customer events (conventions, golf tournaments, charity events, etc)
- Obtain national certifications to be able to offer product to any jurisdiction in North America
- Be a resource to customers on National and Local regulations
- Increase product SKUs
  - Specialty products for corporate customers
  - To comply with local regulations
- Increased inventory and delivery expectations
Customer Acquisition

4. Continuously Scan the Environment

✓ Trade journals and industry associations (who is doing what)
✓ Construction databases (Dodge, Reed Reports)
✓ Local Manufacturers Representatives
✓ Personnel Movement
  – Your champion at Tim Horton’s may become your new champion at Starbucks
Areas of Concern

- Overlapping sales territories
- Compensating sales force
  - Manufacturers Reps are local and not typically rewarded for national accounts
- Discounting
  - Professional purchasing at corps often require discounts
- Holding specs
  - Long distance and time between RFQ and equipment purchase
- Payment
  - Long chain between corporate payment to General Contractor and payment to OEM
  - Contractor credit not secured by corporate
Next seminar:
Disruptive Tech Forecast for 2016
December 3, 2015