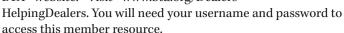# Drop-Shipping Orders
Have dealers been able to reduce on-hand supplies?

Compiled by: Brent Hoskins, Office Technology Magazine

Following are two related questions submitted by a dealer member as part of BTA's Dealers Helping Dealers resource and many of the answers received. These answers and many others can be found in the members-only section of the BTA website. Visit www.bta.org/Dealers HelpingDealers. You will need your username and password to access this member resource.

Has any dealer successfully reduced his (or her) on-hand supply inventory by drop-shipping more than 80% of sales orders in support of his clients/ devices? What has that process been like?

"Yes, we drop-ship more than 90% of supplies to our office customers through Distribution Management. They tie in nicely to our DCA (Printanista). Production customers are handled from our inventory, as proactive supplies replenishment is not feasible due to the short print windows and large volume."

Thomas Fimian, CEO
Levifi, Charleston, South Carolina

"Yes, and it's working very well. You have to make sure you have a reliable partner."

Chip Miceli, CEO
Pulse Technology, Schaumburg, Illinois

"Yes. It's very easy. We changed our min/max on stock items to lower quantities and have been drop-shipping as much as we can."

Stephen Valenta, owner
Offix LC, Gainesville, Virginia

"I cannot say that we're drop-shipping 80% of our supplies, however, we have significantly decreased the amount of toner that we store in inventory by drop-shipping to the majority of our end users. Along with minimizing inventory, we were able to mitigate the number of orders we ship out of our warehouse and are now able to handle shipping, on average, 60 orders per day with one part-time employee. It also takes less time to take inventory and place restock orders. The PO process to send out to vendors takes a little more time, as we price shop based on availability of several vendors to make sure we procure the least

expensive in-stock items. Naturally, we have seen an increase in shipping costs, but try to find vendors that have a flat fee or do not charge shipping over a certain amount. You may also see an increase in overnight shipping fees in emergency situations. You do lose the ability to control the products that are going out to the customer, prices may fluctuate and you won't necessarily be notified of items on backorder."

Casey Milligan, senior vice president of operations
Higher Information Group, Harrisburg, Pennsylvania

"I don't know if we hit 80%, but we are trying. FMAudit has been difficult to manage, forcing us to keep product on hand. Some people get too much toner and others are calling in for emergency toner. It's not a problem that can be fixed and needs dedicated people to manage it."

Nick Lioce, president
The Lioce Group, Huntsville, Alabama

"We drop-ship when it makes sense for ABS and the client, but not more than 80%. Our goal is to make certain we maximize the client experience, as sales reps are encouraged to be at every delivery. At times, drop-shipping may not always be the best solution. We are, however, doing more of this on lower-end deals."

David Aulisio, vice president of business development
Automated Business Solutions (ABS), Warwick, Rhode Island

"Yes. We changed to drop-shipping any supply orders we originally would send from our stock by UPS. We now only ship from our stock in emergency situations or when our stock levels are too high."

Jeffrey Taylor, systems engineer
Kingsport Imaging Systems Inc., Kingsport, Tennessee

"We are working to be at 80%; we are probably at 60% now. I am very hands-on and like the control of having inventory, but saving on shipping from my location has been a nice bump. PO Processor makes it really smooth."

Clay Turner, owner
CSRA Document Solutions, North Augusta, South Carolina ■

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