

# An Open Letter to My Customers



## THE Last Word

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I'm sorry this took so long to reach you, but it's been in my desk drawer for oh, about 15 years. I've been afraid to mail it, thinking – until now - that maybe it's more than you want to know.

First, let me say thanks for hanging in there with me and my office supply business all of these years. I want to assure you that you're getting a competitive price, better service than the big-boxes provide and you're pumping your dollars back into the local economy.

What's that, you say? You have a quote from MegaBux Office World that it guarantees to save you <insert random large number here> percent on your office supply purchases?

I see this all the time, but you don't. It will help if you understand two things. The First Thing is that you will always get a better price from anybody who doesn't already have your business.

I don't care who you're buying from now, I can hand you a quote that will undercut their pricing on the items you use the most. Contrary to what companies like MegaBux would have you think, independent dealers are buying inventory at very close to the same prices as they are, thanks to co-ops (think Ace and True Value in the hardware industry).

Sure, I'll have a very low gross profit on your account for a while, but as you start buying different off-contract items (new technology is a wonderful thing), my profitability on your account will eventually grow to acceptable levels.

When you receive a lowball quote from a company like MegaBux, your first thought is probably, "Gee, Dave has been ripping me off all this time!" Actually, I've been charging a fair price, but MegaBux is willing to sacrifice almost all of its GP up front (as I am) to get a new account. I can guarantee that within a year they will have tweaked your pricing to the point that they will be making more off your business than I ever did, and you'll never notice.

That's the Second Thing. I'm not calling anyone a crook, but the competition between the big-boxes is such that they have become, shall we say, "creative" at over-promising whatever they need to so you will start buying from them. But (surprise!) the flip side of unrealistically low pricing on a relatively small number of items is that you'll pay a lot more for everything else.

Don't take my word for it. A company called GOPD ([www.gopd.com](http://www.gopd.com)) maintains the largest database in the office products industry. They found one leading big-box whose discount off list price was less than 10% on a full 40% of their items. The big boxes all change pricing on hundreds of items daily on their web sites, and charge more than list price on literally thousands of items (this is documented).

And why not? They never said they wouldn't, it's not illegal (don't ask me about ethical), and nobody displays list price on their web sites any more. My company doesn't charge more than list for anything—yet—but it's hard to play the big discount game with one hand tied behind your back.

The bottom line is that YOU get to choose who you do business with. Why not write your checks to people like me who live here and work here, and who look you in the eye when we see each other at various business, social and charitable events in our community? You are a lot more important to us than you are to MegaBux, and at the end of the day you will have paid about the same amount for your office supplies.

I feel better now. Thanks for reading through all of this, thanks for understanding, and thanks for being my customer. We're all in this together.

Sincerely,

*Dave Parsons*

*Your Local, Independent Office Products Dealer*