

# WHAT'S ON YOUR ELECTRICIAN'S CART?

by Dr. Scott Downey

In hindsight, it sounds simple to say that customer-facing employees at **Consolidated Electrical Distribution (CED)** were able to impact the work of their customers by providing them with a cart. However, the process of getting there was anything but simple.

As one of the largest electrical distributors in the country, CED carries any material necessary for an electrician to complete a job. While electricians don't care much about the specifics of the parts they order, they do care that they need them to do a job, they need them on the job site and they need them immediately.

## THE LAST MILE

**Brad Selby** heads a set of distribution firms that were acquired by CED. In an extremely competitive market, it's critical for a company to set itself apart. Selby's isn't the cheapest, but he isn't trying to be.

His team instead builds value through "the last mile of service," by staying close to the customer. CED allows each acquired company to retain its culture and customer relationships, believing that these relationships will foster success while holding on to margins.

To CED, relationships mean understanding how individual electricians work, which job sites they will be on at any given time, which products will be installed and what equipment will be used. Relationships mean knowing what the electrician will need before they need it. This understanding of relationships was the result of innovating value in a competitive space.

When an electrician has to stop work because they are in need of a part, the delay is usually about 90 minutes, even with a responsive distributor. In the competitive Chicago market, the necessary part quickly becomes very expensive.

A CED salesperson started thinking about ways to help

electricians avoid this downtime. The company already tagged and scanned items to quickly load onto trucks and had an online catalog for electricians to easily find what they needed. However, a new way of delivering parts could revolutionize CED's customer service.



The salesperson realized CED's value was tied to delivery. Sometimes the company could make quick deliveries, but he knew they needed a way to do it consistently. He knew the only way to truly provide good service was to prevent the need for it in the first place. This meant they had to have every part available to the electrician before it was even needed.

By knowing the customer's business as well as they did, CED could anticipate what would be needed for any project on any given day.

## UNDERSTAND THE CUSTOMER

Thus, "The Electrician's Cart" was born. Understanding the electrician's business at a task level allowed CED to create a package of every possible item the electrician might need on the site, eliminating delivery waits.

The cart was delivered to the jobsite every morning, and the electrician was billed only for what was used. As the company rolled out the cart idea, they quickly became electricians' provider of choice. CED's size and logistics allowed

better execution of the initiative than any competitors.

Salespeople at CED were required to work in the warehouse and carry out deliveries before they were allowed to sell. They gained knowledge of the delivery process, electricians' expectations and the right questions to ask.

It was easy for competitors to load a cart with miscellaneous items, but CED's cart had the right items.

According to Selby, the power of the cart wasn't the cart itself. The power was that CED had redefined the purpose of a relationship. These relationships allowed the company to discover what each individual electrician needed and valued.

Selby knew that success in a competitive, undifferentiated environment meant value had to be determined in the last mile. Selby believes the role of management isn't to tell people what to do, but to ask questions, listen for ideas and help salespeople innovate value.

I encourage you to stop and think – what's on your electrician's cart?

## AGRIBUSINESS MARKETING

Learn more from **Dr. Scott Downey** at the 2019 Agribusiness Marketing Level 2: Strategic Agri-Marketing professional development program from **Purdue University's Center for Food and Agricultural Business**. It runs October 8-10 on the university's West Lafayette, IN campus. More information can be found at: [agribusiness.purdue.edu](http://agribusiness.purdue.edu). **AM**

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