



CO-OP MARKETING BY THE NUMB3RS

co|optimizer

Make more. Spend nothing.

rivet | MRO™

Our Panel



Tim Rasmussen
Founder,
Rivet | MRO



Kristen Foth
Marketing
Communications Manager,
ITW Pro Brands



Eric Wessinger
President, & CEO,
Richards Supply



Jon Hays
Vice President,
AHB Tooling & Machinery

Presentation Outline

- [Rivet | MRO](#) overview
- How much money are you leaving on the table?
- Why marketing co-op funds go unclaimed
- Introducing **co|optimizer**™
- Examples of co-op projects
- Q&A
 - How to maximize funding
 - How to work with suppliers more effectively
 - Using co-op in light of COVID-19 crisis
 - Tracking co-op funds



Poll Question

○ What percentage of available co-op funds for YOUR distributorship do you think you use?

- 0%
- 1-25%
- 26-50%
- 51-75%
- 76-100%



Rivet | MRO Overview

- Marketing services firm focusing exclusively on independent distributors
- Strategy & planning services
 - Branding & Positioning Strategies
 - Market Segmentation Analysis
 - Acquisition Modeling
 - Determining Customer Lifetime Value
- Creative services
 - Video
 - Brochures & Catalogs
 - PR
 - Sales Promotions
 - Promotional Products
 - Websites
 - Social Media
- Co|optimizer



co|optimizer™ Overview

- Helping independent distributors find and claim more co-op funds
- We do all the work
 - Research
 - Planning
 - Execution
 - Paperwork
- You get great marketing work at no cost to you!
- Entirely supplier-funded...*no net cost to the distributor*

The smart way to grow your business...without investment!

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Co | optimizer Customers

- Independent distributors
- Revenues ranging from \$6 million to \$200 million
- Managing dozens of projects simultaneously
- Business built through referrals

Focused on businesses just like yours.



Memberships/Affiliations



AD

Together, we win.



ISA
INDUSTRIAL SUPPLY ASSOCIATION



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How Much Money Are You Leaving on the Table?

- More than \$70 billion in co-op funds offered every year by US manufacturers^a
- Between \$14 billion and \$35 billion in marketing co-op dollars from US manufacturers go unclaimed every year^a
- Only 42% of businesses that qualify for co-op funds take advantage of them^b

Sources: ^a Media Post/Local Search Association, ^b Manta/Local Search Association



How Much Money Are You Leaving on the Table?



DISTRIBUTOR CO-OP FUND CALCULATOR

DISTRIBUTOR 2019 REVENUES:	<input type="text" value="\$ 10,000,000.00"/>
% OF REVENUES: BRANDED PRODUCT*	<input type="text" value="80%"/>
REVENUES W/MFRS WITH PURCHASE VOLUME ABOVE \$50,000	<input type="text" value="70%"/>
2019/20 CO-OP \$ ALREADY CLAIMED/USED	<input type="text"/>
POTENTIAL CO-OP FUNDS AVAILABLE	<input type="text" value="\$"/> (Low Range)
	<input type="text" value="\$"/> (High Range)

*Not purchased through wholesale.



How much money are you leaving on the table...

FIND OUT NOW

• VISIT •
rivetMRO.com/calculator



CAUTION!
YOU MAY WANT TO SIT DOWN FIRST.

Poll Question

○ Okay, NOW what percentage of available co-op funds for YOUR distributorship do you use?

- 0%
- 1-25%
- 26-50%
- 51-75%
- 76-100%



Why Co-op Funds Go Unclaimed

- Distributor unaware of opportunity
- Confusing rules
- Inconsistent procedures
- Manufacturer brand compliance issues
- Cumbersome claims process
- Paperwork
- Distributor time & resource limitations
- Ability to execute



Poll Question

- What's your biggest challenge/frustration with claiming co-op?
 - Unaware of opportunity
 - Confusing rules
 - Inconsistent procedures
 - Cumbersome claims process/Paperwork
 - Time & resource limitations



*“You miss 100%
of the shots you
don’t take.”*

-Wayne Gretzky



The Impact of \$30,000 in Co-op Funds

- The average independent distributor:
 - Has a 23% gross profit margin
 - Nets a 3% after-tax profit
- That means you need to make a \$1,000,000 sales to earn \$30,000 to spend on marketing
- How much time and how many resources would you put toward a slam-dunk million-dollar sale?



AND IF SOMEONE WERE GOING TO BASICALLY HAND
YOU A \$1,000,000 SALE, YOU'D LISTEN... RIGHT?

That's kinda what we do.

USING CO-OP MARKETING FUNDS CAN

**DOUBLE
YOUR SALES!**

DO ALL CO-OP PROGRAMS DOUBLE SALES?
NO. BUT THEY CAN DOUBLE SALES.

WOULD YOU SETTLE FOR AN 18% INCREASE?
HOW ABOUT MERE 11%? THOUGHT SO.



• VISIT •
rivetMRO.com/spotlight



Poll Question

○ How does your distributorship use co-op funds? *(Check all that apply.)*

- Promotional Items
- Sales promotions
- Videos
- Catalogs & Brochures
- Sales spiffs



Richards Supply & JET Air Tools

- Step-to-the-sale sales promotion
- Get free giveaway with JET Air Tools quote
- Designed, wrote, printed simple flyer
- Low budget=low production value
- Sellers distributed printed flyer
- Targeted email

Results: Richards DOUBLED JET orders!

EXPERIENCE JET POWER WITH RICHARDS SUPPLY!

FREE

WITH ANY JET AIR TOOL QUOTE!

RICHARDS
JET

RICHARDS
INDUSTRIAL & CONTRACTOR SUPPLY & MACHINERY • SINCE 1917

JET

Nobody knows North Texas and MRO like Richards Supply. And that goes double when it comes to JET Air Tools! We carry the full line of JET Air Tools, including air compressors, impact wrenches, grinders, cutting tools, drills, ratchets, sanders, polishers, scalers, chippers, riveting hammers, screwdrivers, spray guns and more! (Plus we carry the full line of all the other JET Tools...and all your other MRO needs!) If you want to experience JET POWER, call Richards!

AND FOR A LIMITED TIME...you'll receive a **FREE HEATHERED BACKPACK** with any **JET Air Tool Quote!** This is only available from Richards Supply and only available while supplies last... so **HURRY!** Contact your Richards representative and get your JET Air Tool quote today!

RichardsSupply.com

800-234-4121 Waco 800-234-5132 Temple 800-657-8925 Ft. Worth

CONTACT US TO GET YOUR JET AIR TOOLS QUOTE TODAY!

Richards Supply & Ames

- Targeted giveaway—cooling headband
- Timely—summertime promo
- Free headband with Ames purchase
- Web banner, counter ad and email



BEAT THE HEAT WITH AMES!

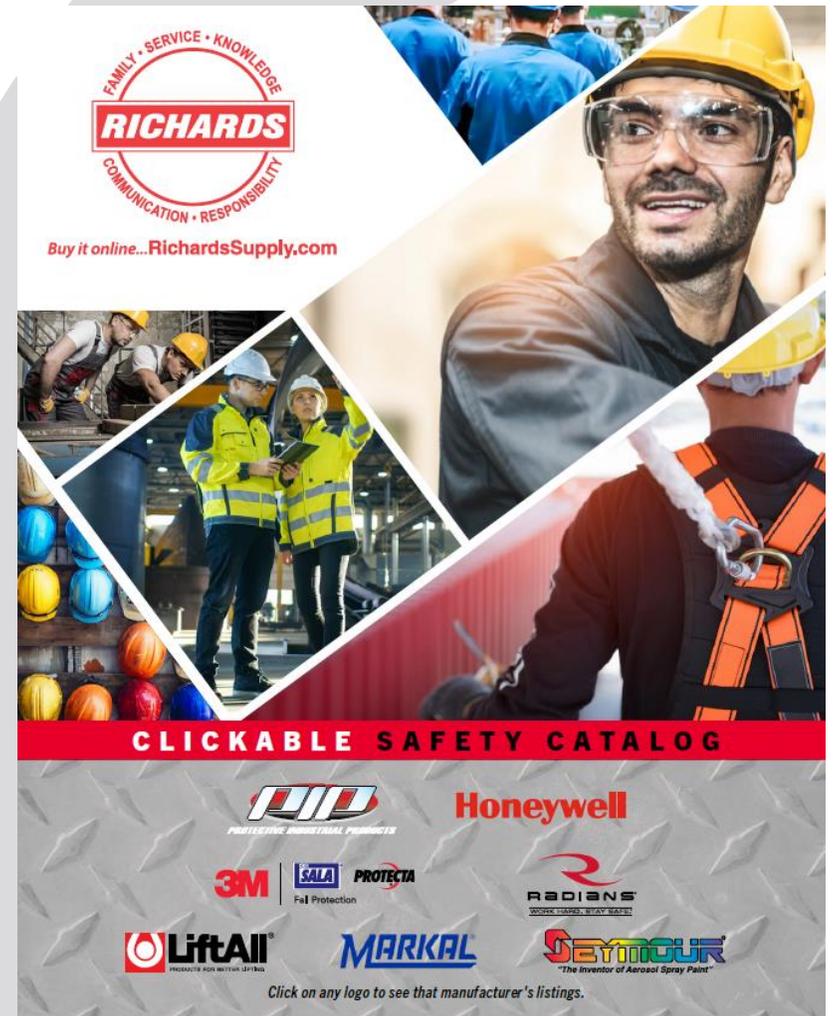
Buy any Ames True Temper product, get a **FREE** cooling headband!

Hurry...offer only available while supplies last!

Results: 11% increase in Ames orders!

Richards Supply Clickable Safety Catalog

- Co-mingled co-op funds
- Easily updated
- Links to eCommerce & supplier videos
- Saturated with keywords—SEO boost
- Versatile—multiple channel uses:
 - Field sales calls
 - End-user desktop/tablet
 - Social Media
 - Website
 - Email marketing



AHB Desk Pad Calendar

- Annual project—customers request them
- Co-mingled co-op funds with rotating positions by month
- Personalized with sellers' names & contact info
- Ties into AHB color scheme and frequent US flag use



AHB & Seco Videos



○ Flexible usage of video

- Website
- Social Media
- Email
- Field sales

○ Higher view-to-completion rate

○ Shorter perceived view times

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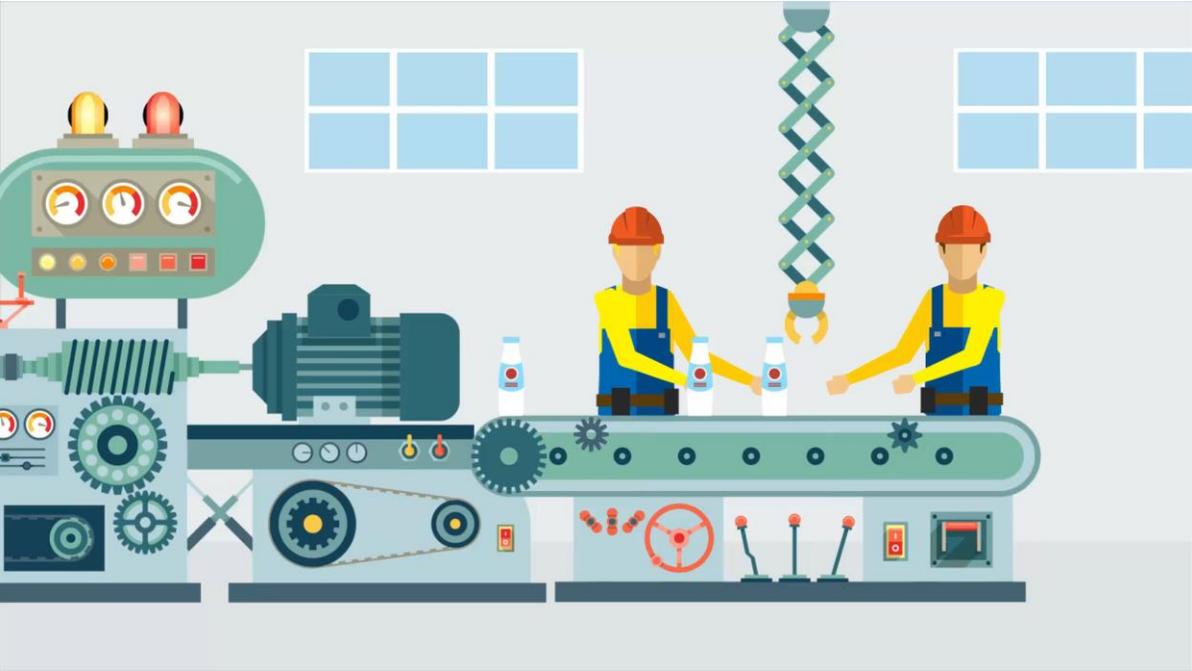
○ Videos are SEO boost

- Filled with keywords
- Double-indexed
- Higher Google priority, the more video you have

○ Instant Videos

- Cost-effective way to get more video

A&M/ITW Pro Brands Disinfecting & Sanitizing Video & Brochure



Long-term Baseball Sales Promotion

Introducing an exciting new reason to play ball with S. L. Fusco!



S.L. Fusco
GRAND SLAM SWEEPSTAKES

SLF Inc.
S.L. FUSCO inc.

WIN A TRIP TO SPRING TRAINING, MAJOR LEAGUE BASEBALL TICKETS, GAME SWAG AND MORE...JUST BY QUOTING THESE GREAT BRANDS!



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S.L. FUSCO inc.



Win
MLB TICKETS
AND MORE
JUST BY QUOTING OR BUYING
DYNABRADE
AND OTHER GREAT BRANDS!

S.L. Fusco
GRAND SLAM SWEEPSTAKES

SLF Inc.
S.L. FUSCO inc.

DYNABRADE

VISIT SLFUSCO.COM TO SEE WHAT YOU CAN WIN!
CALL 800.421.1391 FOR DETAILS!

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Q&A



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President, & CEO,
Richards Supply



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Questions

- How do you make sure you get all the co-op funds you've earned?
- How do you use co-op marketing funds to grow your business?
- Do you get input from the sales team on how to use co-op funds?
- How do you involve manufacturers in the co-op planning process?
- When do you start the co-op planning process?
- How will your uses of co-op funds change in light of the COVID-19 crisis?
- How do you track and measure co-op program results? And how do you use them to justify future co-op claims?



Wrapping Things Up: 10.5 Tips to Help You Maximize Your Co-op Marketing

1. Keep track of your manufacturer contacts.
2. Make sure your sales team has a voice in the process.
3. Ask your suppliers for co-op program details and save them in a file.
4. Involve the manufacturer in the planning process...*early in the year.*
5. Just because suppliers don't have a *formal* co-op program, that doesn't mean they don't have co-op dollars available.
6. Be prepared to demonstrate how you drive & track co-op program results.
7. Demonstrate how you will apply your co-op support to strategic initiatives that are in alignment with the supplier's key focus(es).
8. Develop an overarching marketing positioning strategy—and support it with your co-op funds.
9. Ask about Market Development Funds (MDF).
10. Don't let internal resources drive your co-op planning strategy.
- 10.5 Commit to the plan... Test, measure, refine model.



“Even if you’re on the right track, you’ll get run over if you just sit there.”

-Will Rogers



There's still time to claim the 2020 Funds You've Earned!

- The earlier you start, the more we can find for you

- Contact us today!

tim@rivetMRO.com

636-385-5123

www.RivetMRO.com

<https://www.linkedin.com/company/rivet-mro>

<https://twitter.com/RivetMRO>

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