



September 9, 2004  
Barcelona



# Agenda

- Office Products Industry
  - Industry overview
  - History of BPGI
  - Market today
- BPGI Organizational Overview
  - Mission
  - Objectives
  - Value to vendors & members





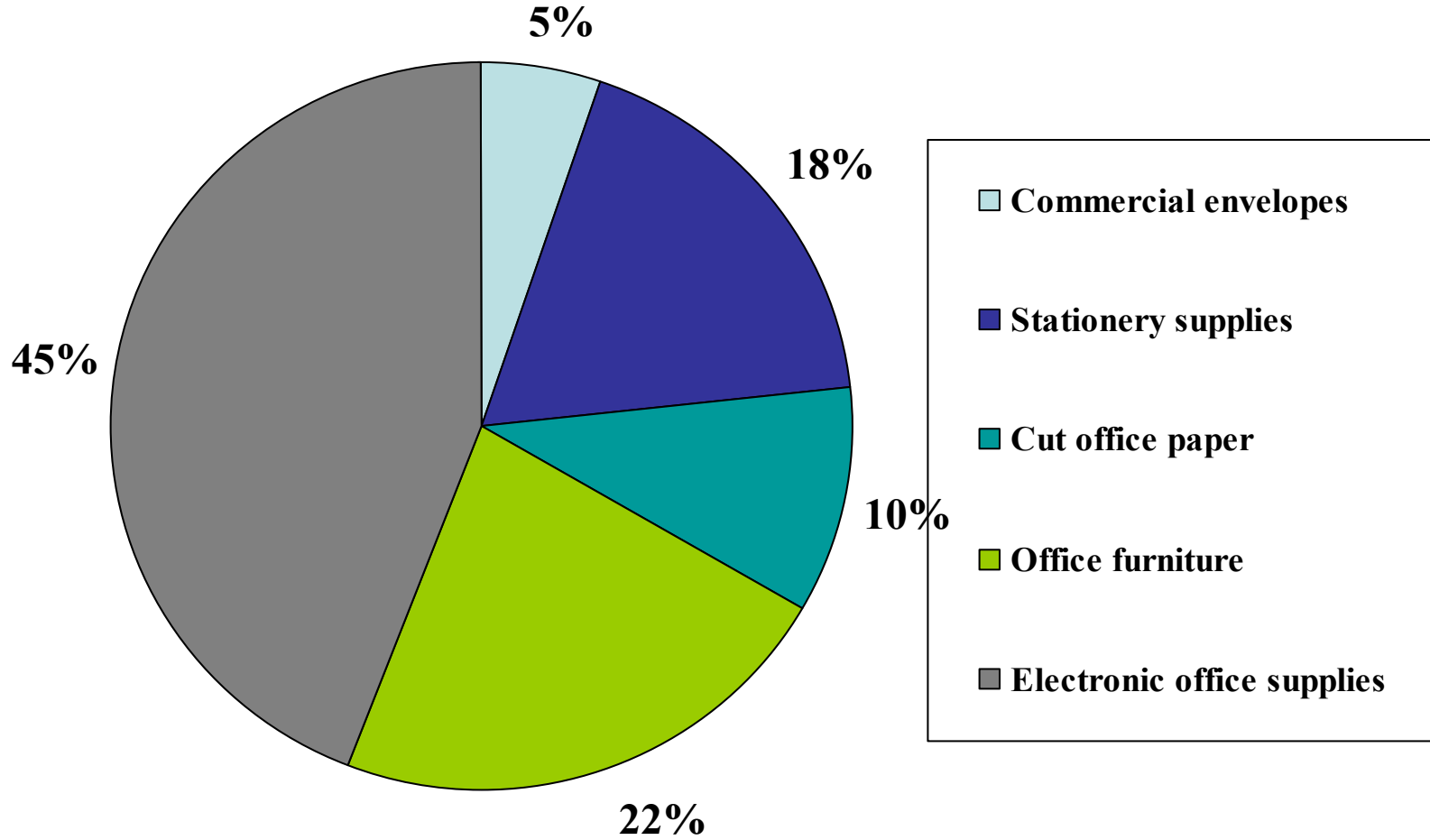
# Office Products Industry Overview

Office Products Industry is loosely defined as the sale of stationery supplies (electronic and traditional), cut sheet paper, and furniture to businesses (B2B) and to consumers (B2C)





# EU Office Products Market 2002 By Sector (€31.5bn at MSP)





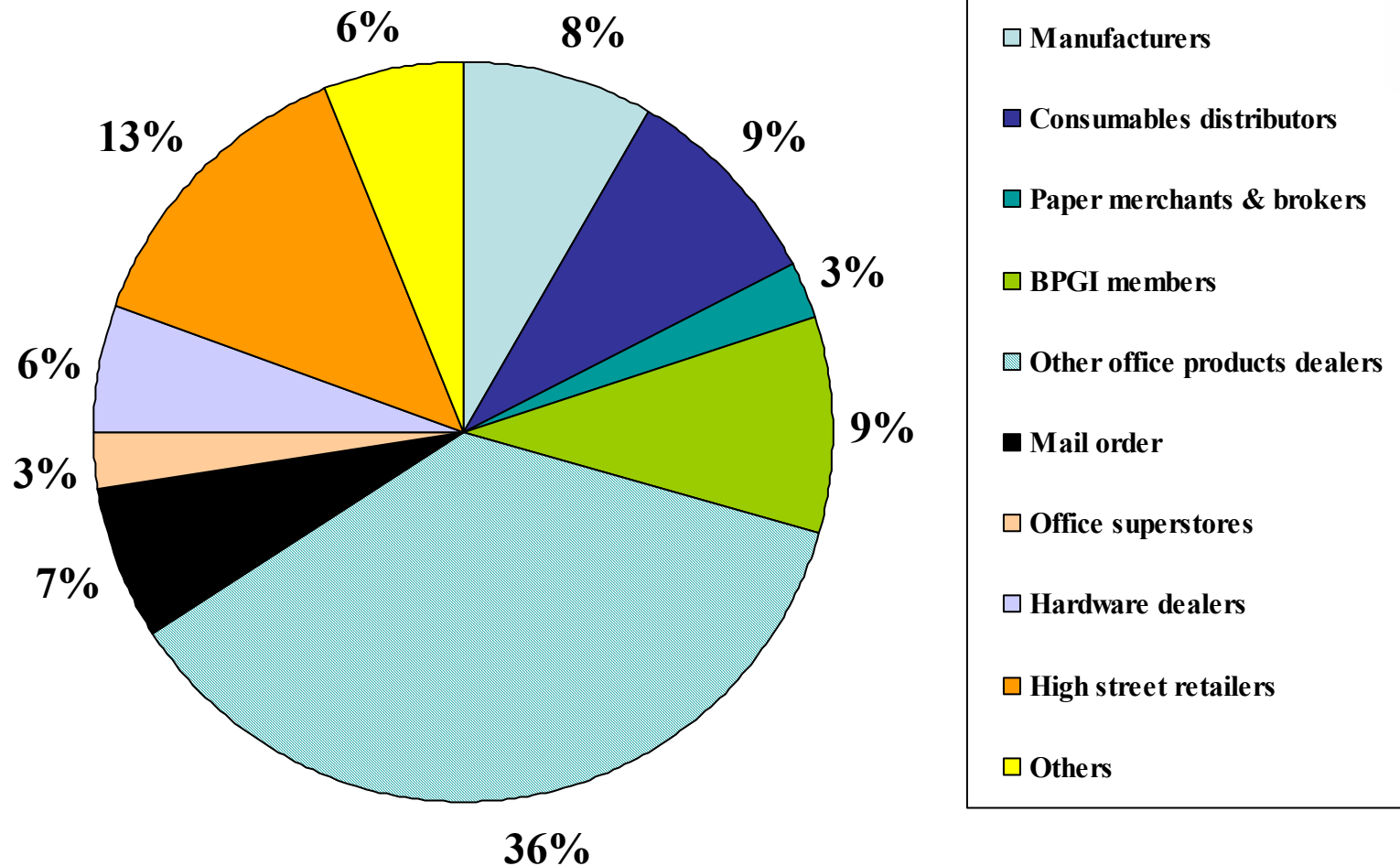
# Distribution of Office Products



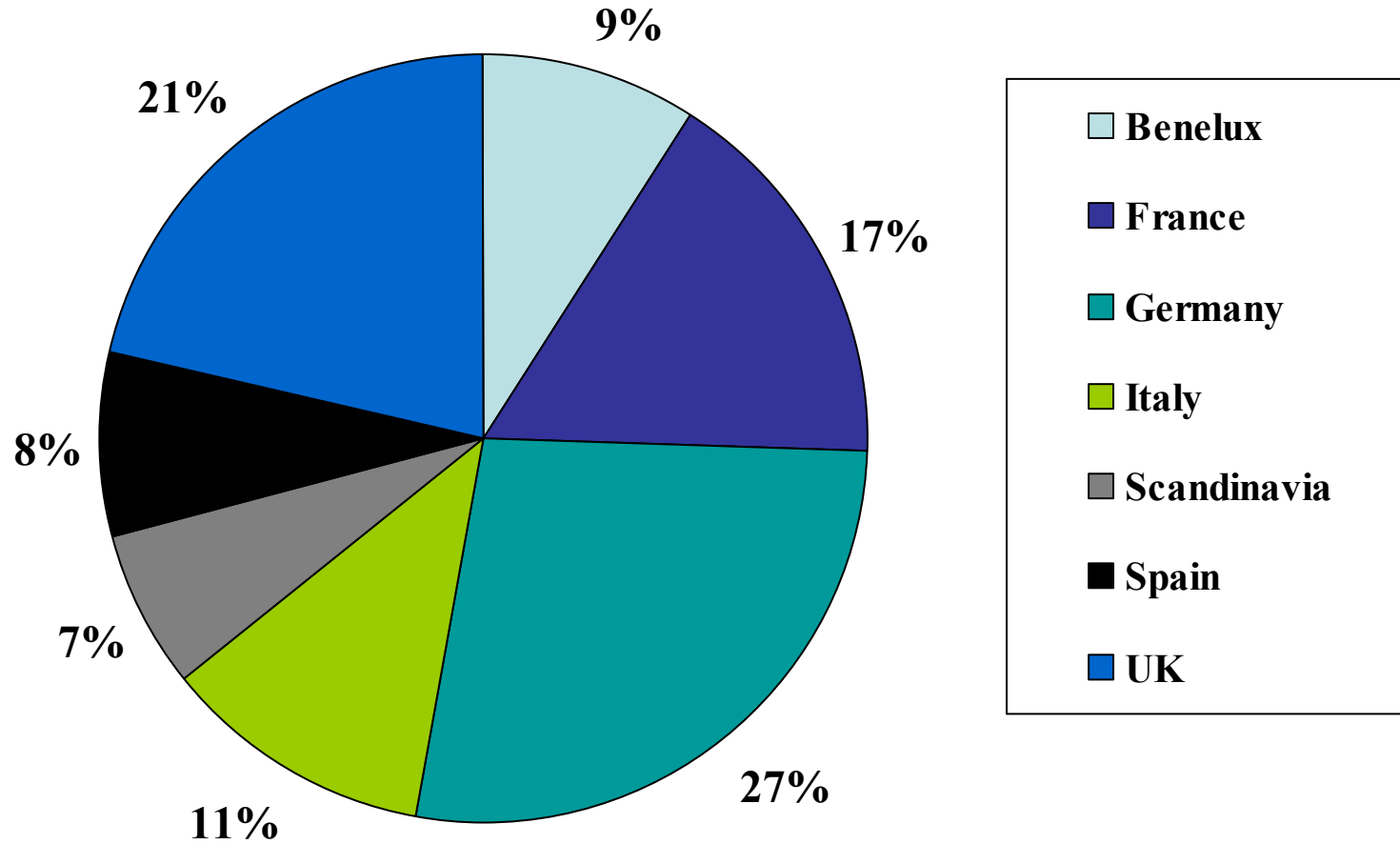
- Dealers – sell to consumers
- Wholesalers – sell to dealers
- Manufacturers – sell to dealers and wholesalers



# EU Office Products Market By End-User Channel Share



# EU Office Products Market By Country (€31.5 bn At MSP)





# History of BPGI

Why was it formed?



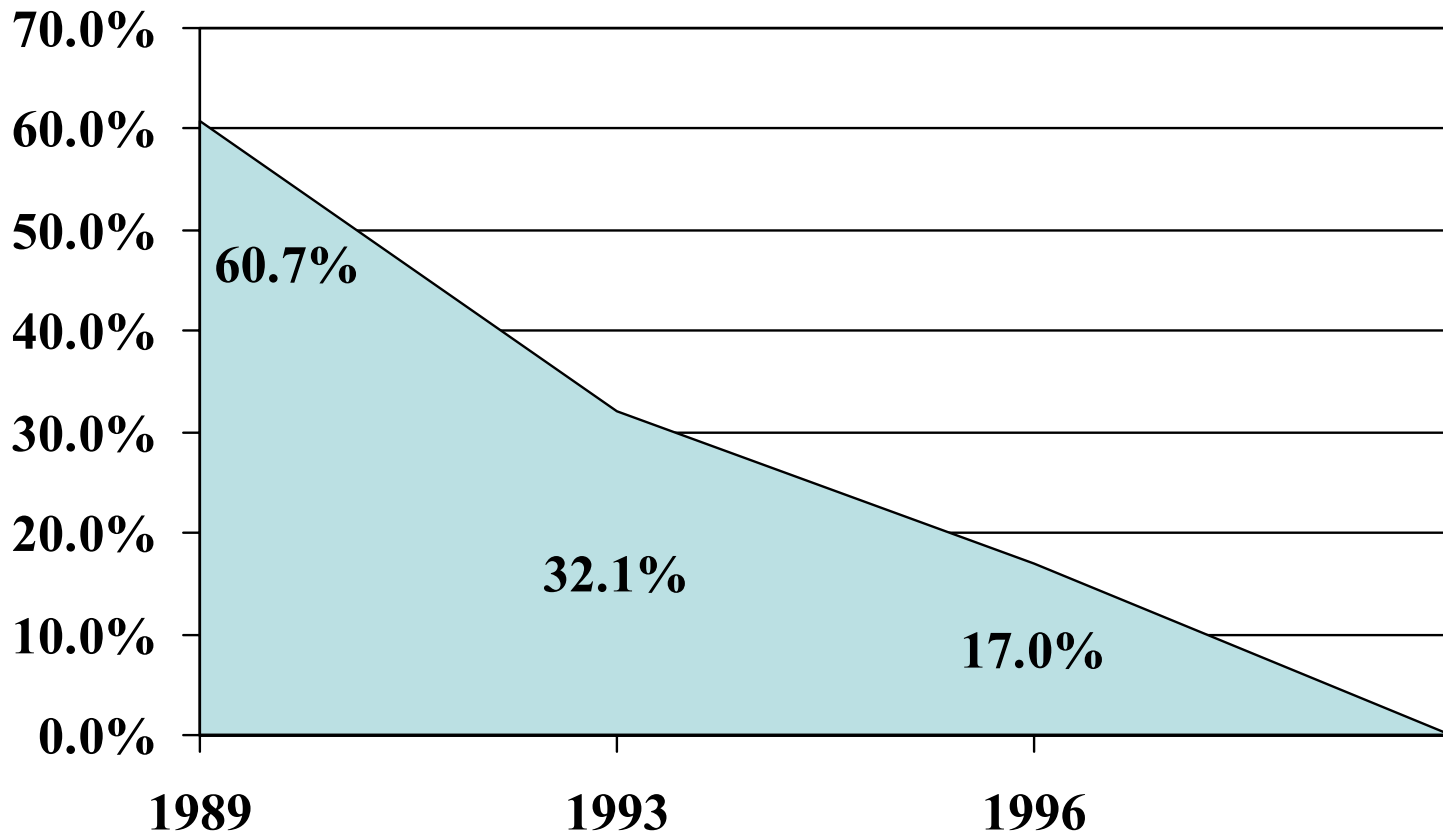
# Office Products Industry Overview



- 1970's
  - Independent dealers are the primary sellers of supplies
  - Few buying groups
  - Several contract stationers
  - Multiple wholesalers
- 1980's – 1990's
  - Explosive growth of “power channel” – Office Depot, Staples
  - Emergence of more / stronger contract stationers
  - Independent dealers lose market share
  - Independent dealers form buying groups
  - Wholesalers lose market share

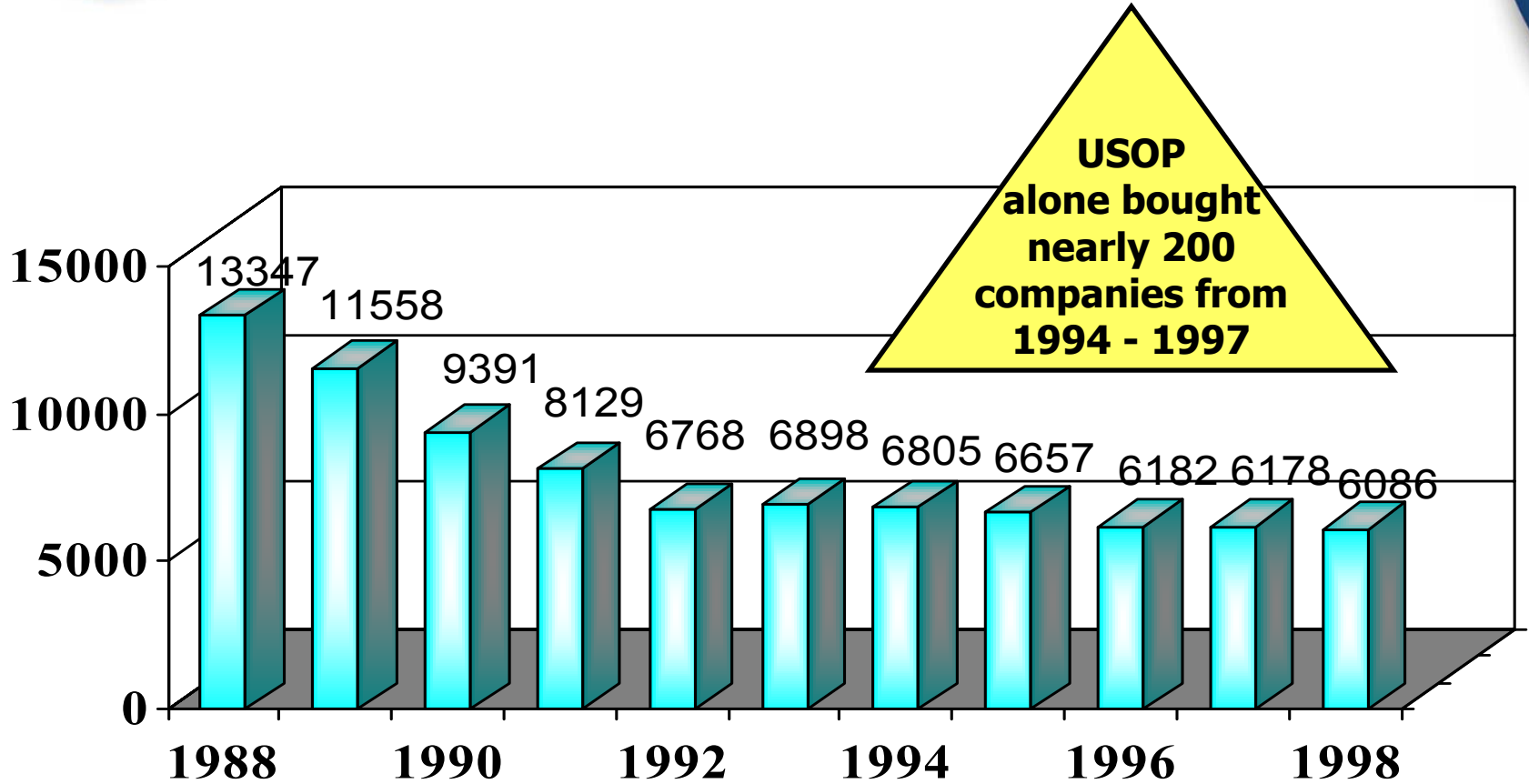


# Market share of U.S. dealers in steep decline!





# Office Products Dealers in USA 1988 - 1998



In 1975 there were over 20,000 dealers!



## BPGI – Founded in 1997!

Independents stopped competing with one another and aggregated their global purchases in order to survive!



# BPGI Founded in 1997

- USA Independent Stationers
- USA Trimega PA
- Canada CIS
- Canada Novexco
- UK Europa
- Australia Office Choice

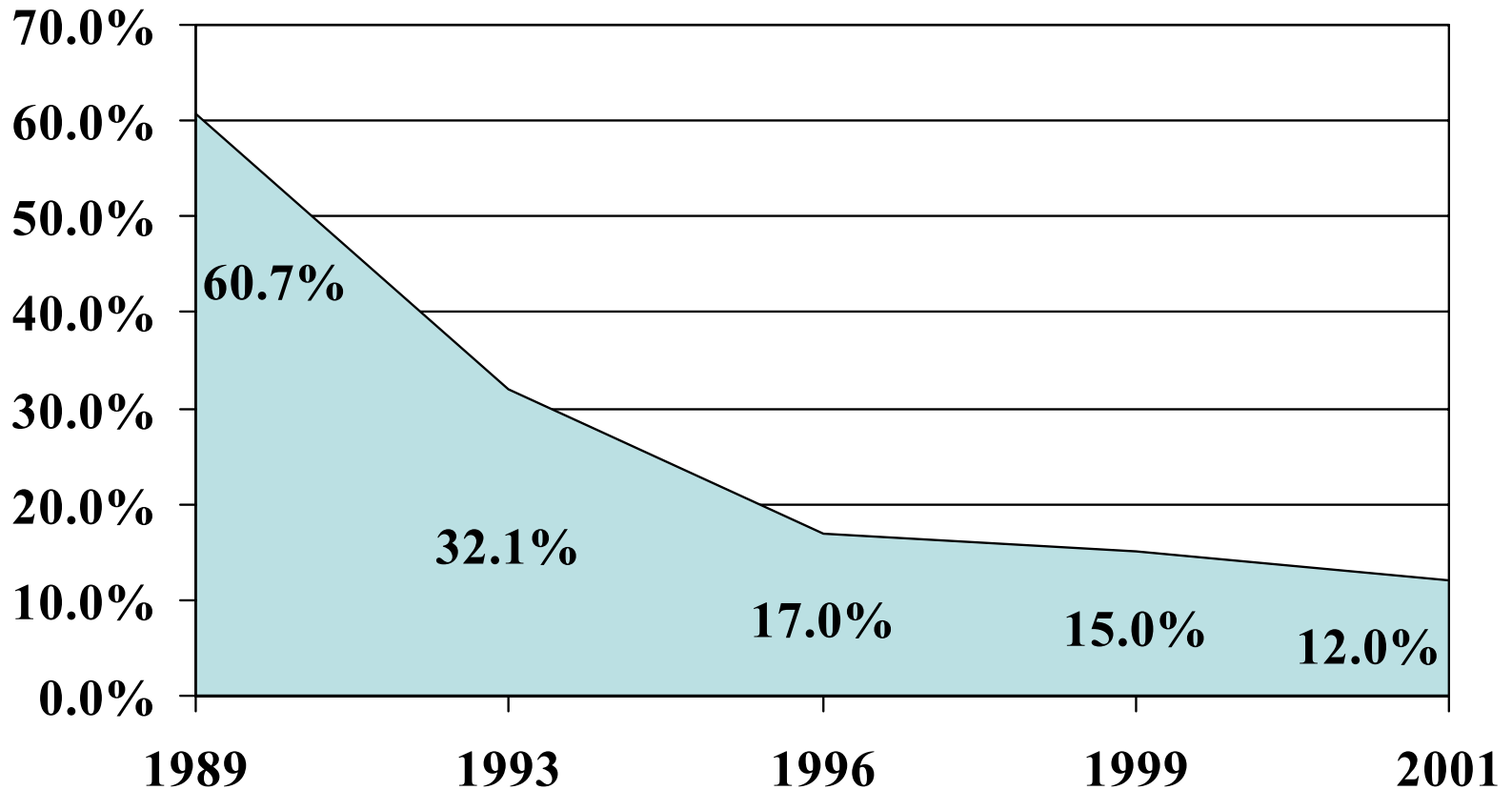




What happened –  
the next five years!



# Market Share of US Independent Dealer





# Market Share of Global Independent Dealer



The market share of Independent dealers declined in every market.

|                | <b>1997</b> | <b>2001</b> |
|----------------|-------------|-------------|
| <b>USA</b>     | <b>15%</b>  | <b>12%</b>  |
| <b>CANADA</b>  | <b>26%</b>  | <b>19%</b>  |
| <b>UK</b>      | <b>49%</b>  | <b>45%</b>  |
| <b>DENMARK</b> | <b>95%</b>  | <b>72%</b>  |
| <b>ITALY</b>   | <b>95%</b>  | <b>85%</b>  |



# Office Products Industry Today!



# Global Volumes



|                              | <b>Global<br/>Volume</b> | <b>EU<br/>Volume</b> |  |
|------------------------------|--------------------------|----------------------|--|
| <b>Office Depot / Viking</b> | 12.70                    | 3.00                 |  |
| <b>Staples</b>               | 12.60                    | 2.00                 |  |
| <b>BPGI</b>                  | 12.00                    | 5.71                 |  |
| <b>Boise / Office Max</b>    | 8.30                     | 0                    |  |
| <b>Corp Express</b>          | 6.50                     | 1.50                 |  |
| <b>Lyreco</b>                | 1.33                     | 1.26                 |  |
|                              |                          |                      |  |
| <b>Total Billion USD</b>     | <b>53.43</b>             | <b>13.47</b>         |  |
|                              |                          |                      |  |



# Global Overview

- North America
  - Three power channel players remain – Office Depot, Staples, Boise / Office Max -all three have retail, contract, internet and mail order
  - Independent dealers market share declining
  - BPGI members are growing and out performing the market
  - Manufacturers are losing market share
    - Power channel switching to private label vs. mfg. brand product
    - Power channel buying direct from Asia
  - Wal-Mart is here! – already \$4 billion in office supplies



# Global Overview



- Europe - “The next battleground”
  - Power channel players are consolidating - Guilbert
  - Office Depot / Viking & Staples are coming:
    - country by country
    - channel by channel (mail order, contract, internet, retail)
  - Rationalization of logistical platforms to service multi country markets
  - Negotiation of Pan European purchase contracts, marketing programs and product listings with vendors
  - Growth of private label programs
  - Negotiation of Pan European sales / service contracts with large consumers



# Global Overview



- Australasia
  - Power channel players are consolidating
  - Corporate Express, Boise, Office Works (Coles Myer), Lyreco (National 1)
  - Penfold – 100 yr. old company fails, Independent dealer group purchases assets
  - Negotiation of Trans Tasman purchase contracts, marketing programs and product listings with vendors
  - Growth of private label programs



# BPGI Today



# The world's largest consortium of Independent Dealers



**21 Members**

**13 Countries**

**4,116 Dealers**

**\$1 billion in purchases**

**\$12.0b (USD) end-user sales**

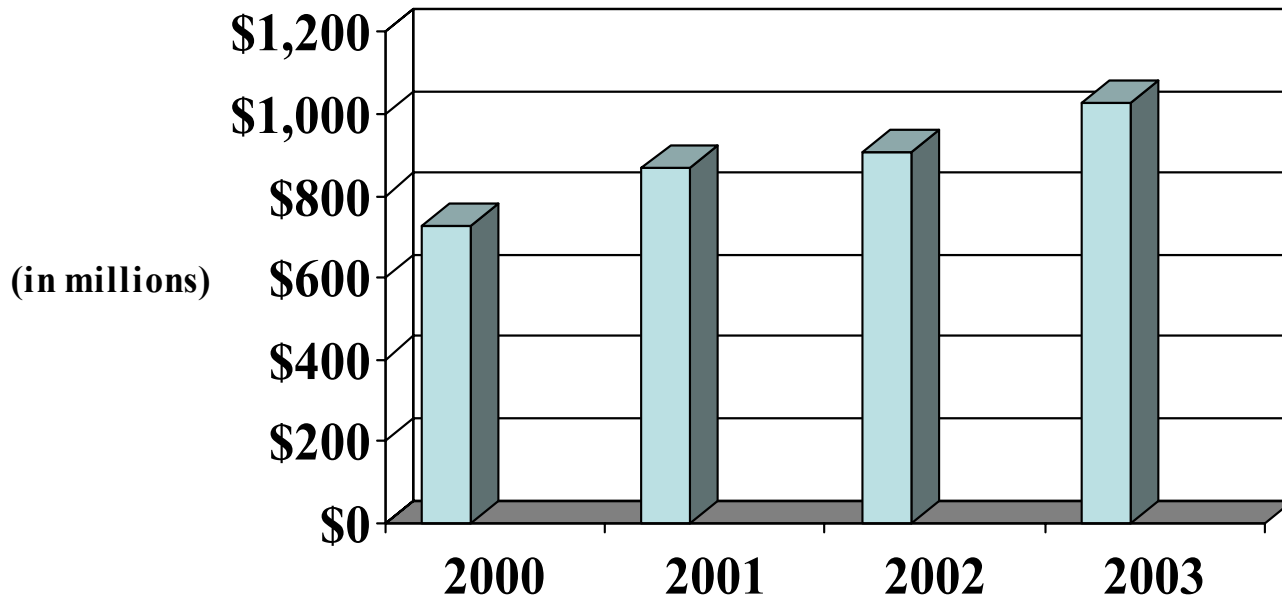


# BPGI Performance!



Purchases are outperforming other sectors of the industry!

**35% Growth 3 years**





# Mission

To maximize buying competitiveness of office products for its groups on behalf of their independent dealers.

**BUY BETTER!!**



# BPGI Structure

- Board of Managers
  - Executive Committee – 5 members
  - Board of Managers – 1 per member
- Purchasing Council
  - Executive Committee – 5 members
  - Purchasing council – 1 per member
- Staff
  - Four full time employees
  - Office Washington & Amsterdam





# BPGI Objectives

- Competitive Cost of Goods Sold
- Membership Growth
- Effective Communication





# Purchasing Process



# Purchasing Process

1. Members agree on matrix of product categories, vendors & award criteria (June)
2. PC Executive negotiates programs and resolves global and major continental issues
3. Members vote on vendors' proposals
4. One member one vote - must be unanimous
5. Member compliance monitored by BPGI office



# Purchasing Process

June

- BPGI Purchasing Council met and agreed on a matrix of product categories, vendors & award criteria.
- Agreed on negotiations objectives
- Reviewed Issues



# Purchasing Process

July/August

- BPGI present to vendors in Washington DC, Amsterdam and Sydney:
  - BPGI overview
  - Review purchasing process
  - BPGI global objectives
  - Discuss open issues
  - Request For Proposal



# Purchasing Process

September

- RFP's due to BPGI Office
- Executive Purchasing Council meets with Global Vendors to finalize negotiations



# Purchasing Process

October

- Purchasing conference call – Closure on final issues and vote on program approval.



# Purchasing Process

January

BPGI office monitors purchasing compliance



# Create win – win situations Vendors

## Value of being a BPGI Vendor

- BPGI members are growing and outperforming the market place
- Global coverage
- Provide access to broader and more diverse customer base
- Focused global support of the manufacturers branded products



# Create win – win situations Members

## Value of being a BPGI Member

- Financial gain - combined purchasing strength of the major competitors
- Voice - clout of 4,116 global dealers
- Idea sharing - knowledge, experience and investment of 20 other groups from around the globe



# Communication



- Goal: Improved image, understanding & support through effective communication with:
  - BPGI member groups
  - BPGI dealer members
  - Supplier community
  - Media
- Communication vehicles:
  - Newsletters
  - Press coverage of BPGI & members
  - Speeches to member meetings & industry groups
  - Support literature
  - Surveys & performance monitoring

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## BPGI announces new executive board



Nick Oates

### Nick Oates elected head of BPGI

WASHINGTON D.C.-Nick Oates of Europa Office in the U.K. has been elected non-executive Chairman of the Board of Managers of Business Products Group International LLC (BPGI), the world's largest office products dealer group consortium.

"I am delighted that my colleagues in leading office products buying groups around the world have expressed their confidence in me and I look forward to working with Jim Preston our CEO to further strengthening our global position and to growing our presence in European markets."

[Read the full article](#)

### There's strength in numbers

Were it not for those strengths, the global office products landscape would look very different. The visionary thinking that IS Group provided to its 600 dealers in the U.S. has been instrumental in uniting 2100 other independent office products dealers around the world.

[Read the full article](#)

### BPGI levels playing field for independents

khsadfuiayrekb ckvjhaqe nkuayhfrshrj kdsyfhpohre ds;afjhksfhiu.

[Read the full article](#)

### Europa leverages buying power to post record growth

fua osdaueh hghahu fashfusrh sdafher jhsgausruy jkhbaieiei sfhiu.

[Read the full article](#)

### Jean Le Doe picked to head new group

dsafjhksfhiu jkhereih khsfdaigw agkjhausre ;gkhuie gfgwrg huieuirh

[Read the full article](#)

### Compliance increases 18%

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### New deals struck with key vendors

ekore kvjhaqe nkuayhfrshrj kdsyfhpohre ds;afjhksfhiu.

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## BPGI Quick facts

Serving 14 countries throughout Europe, North America and Australasia.

Vendor contracts worth more than \$1 billion USD.

Sales volume exceeding \$6 billion USD.

Updated  
office products  
industry news

**BPGI – Combining global purchasing power with personal customer service.**

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**Any Questions?**

**Alguna pregunta?**

**Domande?** □

有任何問題嗎？

**Flere Spørgsmaal?** □

**Des Questions?**

# BPGI

Global  
Purchasing  
Power



PEG | ALLES IM BÜRO | LE DÉPÔT DES BUREAUX

