

INSIDE

6 Website Mistakes That Are Sinking Your Sales (And How to Fix Them)

Have you been wondering why the investment in your website is not resulting in a big increase in sales? If so, you're not alone.

While many B2B companies may think their website looks great, they are unknowingly making mistakes that are negatively impacting their opportunity to attract new customers, generate leads and sales, and increase their competitive position.

By Bob DeStefano

With the huge boost in online business due to the pandemic, making mistakes on your website can severely impact the long-term health of your business. If your website is not boosting your bottom line, it's time to take action.

Here are six common sales-sinking mistakes B2B companies make on their websites — and how you can fix them.

Mistake No. 1: Being Egocentric Instead of Customer-Focused

Of all the B2B online marketing mistakes you can make, in my opinion, this one is the biggest. Unfortunately, many B2B and industrial companies do not design their website for their customers. Rather, they take an egocentric approach, talking more about themselves rather than addressing customer needs and solving their customers' problems.

An egocentric website ignores describing how the company tackles key customer issues to improve their effectiveness and profitability. Instead, they dwell on features of the company's spectacular offerings, their superior production processes, the brilliance of their people and their impressive offices. While this information is important, it is by far secondary to how your company can solve your customers' key business problems.

How you can fix this mistake:

While prospects care a lot about the

companies they work with, they care first and foremost about their own needs.

You can transform your egocentric B2B website into a customer-focused site by following these recommendations:

- **Speak directly to each member of your target audience.** Identify your niche target audiences and speak directly to their unique needs and motivations.

- **Provide content and features that address your customers' needs.** Anticipate your customers' needs and provide clear statements that are benefit oriented, support your claims with customer success stories and proactively address potential objections.

- **Educate and build trust.** Your website cannot just sell — it must also educate. Turn your site into a vital resource that helps your customers be more effective by offering an educational blog, videos, e-books and webinars.

Mistake No. 2: Ignoring the Needs of Early-Stage Buyers

Is your website only focused on making the immediate sale? If so, you are selling your website short. According to Marketo, approximately 96% of your website visitors are not ready to make a purchase. That means if your site is only focused on late-stage buyers, you are losing an opportunity to engage with the other 96% of visitors that are just performing research or kicking tires.

To be successful, your website's content needs to address customers at each stage of the "Buyer's Journey" — not just those who are ready to purchase.

This Journey consists of three phases:

1. **Awareness Stage:** The buyer realizes

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Commentary:

Content May Be King — But There is a Catch

You may have a ton of content but if you're not marketing it effectively to your customers the effort can be wasted.

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An Industry Deep Dive with Optimas Solutions CEO

Marc Strandquist

The longtime fasteners veteran shares his growth plans for the company in 2021 and beyond.

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Market Snapshot: Circuit Protection Devices

The most recent market demand for these products in the U.S. was \$5.9 billion. Markets Update Supplement,

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Content May Be King — But There is a Catch

Did you tune in for our latest Sales GPS Roundtable? The Dec. 8 rendition of the live Zoom chat between MDM CEO Tom Gale, Indian River Consulting Group Co-Founder Mike Marks and guests Kevin Dean and Mike Moore got straight to the point: 2020 fundamentally changed the relationship between distribution sales and marketing teams and emphasized their joint obligation to the company's customers.

You can view the event in its entirety on demand at mdm.com/events/event_category/roundtable. In reinforcing their argument about the need for a growing collaborative relationship between sales and marketing, Dean, CEO of digital marketing agency ManoByte, and Moore, VP of channel strategy at supply chain and logistics software company E2open, landed on one example in particular that deserves further space in the spotlight. Many distributors are under the assumption that if they load a bunch of content onto their website and/or into one-off marketing emails, they've done their job.

Dean and Moore argued, such a Create It and They Will Come strategy is a waste of time and resources.

As Dean put it, "If you believe that content is king, then for most companies the emperor has no clothes. The reason for that is because they don't have context. You need the right content getting to the right person at the right time. That's the value," he said. "Do that with technology that identifies where each individual is in their buyer's journey. Otherwise, it becomes a mess."

As distributors refine and enhance their digital and e-commerce strategies in 2021, I predict those who will be most successful will place an increased focus on the buyer/customer journey and make a concerted effort to put themselves in their customers' shoes — and even in their customers' customers' shoes.

And speaking of targeted content, as you'll see in this issue of Premium, MDM is committed to helping you to make a more robust digital strategy happen by sharing tactical best practices.

Our cover story, "6 Website Mistakes That Are Sinking Your Sales (And How to Fix Them)," takes you step by step through the stages of your prospective buyer's online journey and what you can do to make visiting your website better for them — and more lucrative for you.

In Senior Editor Eric Smith's conversation with Marc Strandquist, president and CEO of Optimas OE Solutions LLC, the specialty distributor and manufacturer of highly engineered fasteners speaks broadly about bringing digital transformation to the business and how he sees Optimas growing as a result.

One last word on customer journey, MDM is practicing what we preach in emphasizing the importance of strengthening your knowledge in this area of the business. You may have noticed we recently sent out a survey on your experience with Premium. We are working on some exciting customer-focused innovations of our own for 2021. Stay tuned!

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they have a problem or potential opportunity.

2. Consideration Stage: The buyer defines the problem or opportunity and researches options to solve it.

3. Decision Stage: The buyer selects and purchases the best solution for their needs.

Potential customers can visit your website for the first time at any stage of the Buyer's Journey, so your website's content needs to satisfy buyers at each stage.

How you can fix this mistake:

During the Awareness Stage, the buyer identifies a challenge they want to resolve or an opportunity they want to pursue. However, they do not know what is needed to resolve or satisfy their challenge. When they go online to find a solution, they are searching based on the symptoms of their pain they are experiencing or the relief they are seeking.

Address the needs of Awareness Stage through:

- Educational Blog posts
- Social media posts
- Whitepapers
- Checklists
- How-to videos
- E-books
- Tip sheets
- Educational webinars

During the Consideration Stage, the buyer has clearly defined the challenge or goal and have committed to addressing it. When they go online, they are searching to evaluate the different solutions, methods or approaches available to solve their challenge or pursue their goal.

In addition to the above-mentioned content, address the needs of Consideration Stage through:

- Case studies
- Product/service webinars
- Demonstration videos
- Opinion reports

During the Decision Stage, the buyer has decided on a way forward and they are trying to decide on the best company to provide the solution. These prospects are ready to make a final decision. When they go online, they are searching for potential vendors offering the product or service they need, as well as the important details of each candidate's offering.

In addition to the above-mentioned content, address the needs of Consideration Stage through:

- Product literature
- Testimonials
- Vendor comparisons
- Product comparisons
- Free trials
- Free consultations
- Live demonstrations

In addition to offering content for each stage, you need to create lead generation opportunities before the checkout or quote request for early-stage buyers. More on this below.

When buyers go online to find a solution, they are searching based on the symptoms of their pain they are experiencing or the relief they are seeking.

Mistake No. 3: Not Making a Strong Enough Call to Action

Lead generation and direct online sales consistently rank as top priorities for B2B companies. However, most companies handicap themselves by taking a passive approach toward generating leads and sales by relying on their website's 'Contact Us' page as the sole method for prospects to take action.

How you can fix this mistake:

Your call to action (CTA) is arguably the most important part of your website. To generate the most leads, create CTAs with offers that address the needs of prospects at each stage of the Buyer's Journey.

Successful offers for B2B companies have the following characteristics:

- **High perceived value:** Customers place a significant monetary or emotional value on your offer.
- **Highly desirable:** The offer is so valuable they want it RIGHT NOW!
- **Uniquely yours:** Your offer is unique to your company and can't be found elsewhere.
- **Related to what you are selling:** Your offer is a first step that leads your customers toward the ultimate sale.
- **Easy to respond to:** There is a simple process in place for them to take the next step.

To help you start thinking about your CTA offers, below please find examples of successful offers for B2B companies like yours:

- Add to Cart

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- Request a Quote
- Request More Information
- Download E-Book
- Watch Webinar
- Subscribe to Newsletter
- Free Consultation
- Free Trial
- Free Samples
- Ask a Question

Mistake No. 4: Not Updating Your Website Regularly

Many B2B companies spend a lot of time and resources creating a website. But unfortunately, then they neglect it. You need to make updating your website on a regular basis a crucial practice to ensure the advancement of your business and your brand online.

Updating your website regularly is important for a variety of reasons. Not only does updating a website enhance your online marketing strategy by offering valuable content and a contemporary design, but it can also improve your website security, speed and usability.

How you can fix this mistake:

There are three important areas to focus on when regularly updating your B2B website:

1. Update your content. Keeping your website content up to date builds trust and engagement between you and your customers. In addition, regularly publishing new content can have a positive effect on your search ranking. Continually add educational blog posts, videos, product and service information, customer testimonials and case studies, e-books, webinars and other valuable content.

Just as important as adding new content to your website, it is important to regularly remove obsolete content. This will ensure your customers are only engaging with current and relevant information about your company. Look for content such as discontinued products or services, outdated advice in blog posts, time-sensitive content that has expired, ancient press releases, former employee profiles, etc., to be deleted or unpublished.

2. Update your design. Your website is the most public face of your company and its appearance is a direct reflection of your business. Make sure you are putting your best foot forward with a contemporary website design. If your site looks outdated and poorly structured, prospective customers may think

that your company is outdated and poorly structured as well.

In addition, if your website does not have a mobile-friendly “responsive design,” updating your website should be a priority. A responsive design allows visitors to view your website with ease no matter what device they use. With more than half of all website traffic coming from mobile devices, this is essential to ensure these customers have a user-friendly experience.

3. Update your security and technology.

An important reason to update your website is to improve security. If your website is hacked, vital information can be stolen, causing a lack of trust between your customers and your company. Often, a website is hacked due to an exposure flaw in the underlying platform, such as a content management system (CMS) or e-commerce system. If a vulnerability is discovered, hackers can wreak havoc on your site. To avoid this, it is important to remain current with platform updates and security patches, or change the platform altogether.

Updating your website’s technology can also provide benefits beyond improved security. A contemporary CMS or e-commerce platform can provide usability enhancements such as improved navigation, content presentation and site speed. In addition, newer systems make it easier for you to update site content to ensure it is relevant, while providing time savings in performing these updates.

Mistake No. 5: A Weak (or Non-Existent) SEO Strategy

According to *Search Engine Journal*, 93% of online experiences begin with a search engine, making search engine optimization (SEO) the top driver of visits to your website. Unfortunately, many B2B companies struggle to wrap their minds around SEO in a meaningful way.

In fact, if you are not getting more than 50% of your website traffic from non-branded organic searches (i.e., search terms that do not include your company name), your SEO efforts need some serious attention. Frankly, you are leaving money on the table.

How you can fix this mistake:

Don’t make the mistake of thinking of SEO as a complicated technical process. While there are technical elements, modern SEO is not about ensuring keyword density and tweaking code — it’s about creating valuable content that will satisfy the needs of the searcher.

The best content for your SEO efforts has the

following qualities:

- **The content is helpful.** The most valuable content speaks directly to the searcher's intent and is relevant to the solution they are seeking. Unfortunately, SEO content creation efforts often focus on using keywords without careful consideration about what the searcher is looking for. Your content should be thoughtfully written to meet your customers' needs quickly, meaningfully and effectively.

- **The content is popular.** To be successful with SEO, your content must be centered on the popular terms searched by your target customers. Focusing on phrases that relate to what your business offers and are searched on often by your target market should drive the creation of your content.

- **The content is engaging.** Truly engaging content goes back to meeting each customer's need. Your content should address your customer's pain point, question or need, as well as be written and presented well. Make sure you entice your customers to want more.

Mistake No. 6: Relying on 'Gut Feel' or Obscure Statistics to Measure Success

How do you know if your online marketing program is a success? You are making a mistake if you rely on subjective measures, gut feel or hollow statistics like 'visits.' To be successful, you need to measure what matters to gauge your website's bottom-line impact on your business.

When you invest the time, money and effort into your website and digital marketing strategy, you want to ensure that it's working. If you don't have the right tools to measure your website's success, your marketing is driving blind. Without proper tracking, you could be wasting money on campaigns that aren't maximizing results and reaching the right prospects.

How you can fix this mistake:

Measuring the important key performance indicators (KPIs) for your B2B marketing helps your business understand how much revenue your marketing investments produce, as well as which marketing strategies perform best.

Follow these steps to ensure you are not driving blind.

- **Setup website results tracking systems.** Implement a web analytics system, like Google Analytics, to measure your website's marketing performance. This valuable report set will show you the marketing activities generating the most

traffic, what products and content customers engage with and the CTAs that are generating the most leads and sales.

In addition, implement a call conversion tracking system, like CallRail, to track the inbound phone calls received from your website and marketing efforts. When someone visits your website from a marketing activity, call conversion tracking will identify and measure the calls received.

If you don't have the right tools to measure your website's success, your marketing is driving blind. Without proper tracking, you could be wasting money on campaigns that aren't maximizing results and reaching the right people.

- **Measure what matters to drive marketing ROI.** If you are only tracking website visits, you are learning a very small part of your website's marketing story. When looking at your website KPIs, also focus on the source of your website's traffic, how engaged the visitors are with your content and the business-building outcomes.

These metrics will help you paint a better picture of the overall online performance:

- **Traffic sources:** This tracks the paths that led people to your website. The five main sources include:

1. **Organic search is when someone finds your site using a search engine like Google.** This should be your highest source of traffic. To attract new customers, you want more visits from unbranded terms (searches for specific products or services) as opposed to branded terms.

2. **Paid search is when someone visits your site after clicking on a pay-per-click (PPC) search advertisement.** With PPC, you pay for each visit to your website, so you want to focus your advertising on terms that result in business-building conversion activities, as well as reasonable costs-per-click and costs-per-conversion.

3. **Direct traffic is when a visitor types the URL of your website directly into the address bar of their browser, has bookmarked your site, or clicks on a link contained in an email.** In addition, if Google Analytics cannot recog-

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nize the traffic source of a visit, it will also be categorized as Direct.

4. Referral traffic is when someone visits your website via a link on another website other than a search engine or social media site.

You want referral visits from quality, relevant websites.

5. Social traffic comes from a link on LinkedIn, Facebook, Twitter, YouTube, etc. The two most popular social networks for B2B firms are LinkedIn and Twitter. To increase your social traffic, share your valuable content on social networks with links back to your website.

- **Bounce rate:** This measures the percentage of single-page visits, or the percentage of visitors who left your site from the first page they landed on without performing any action (clicking on any other page of your website, filling out a form, etc.). An abnormally high bounce rate is a warning that your content is not customer-focused or you are attracting the wrong visitors. The average B2B bounce rate is around 60%, so shoot for a lower percentage.

- **Pages per session:** This details the average number of pages viewed by someone when they visit your website. This metric allows

you to see how engaged your visitors are with your website. A higher pages-per-session rate indicates your website visitors are interested in your content. Shoot for an average of two pages per session or more.

- **Average session duration:** This measures the average length of a visit on your website. Time is the most precious resource we have and this number shows us how much of their time your visitors are willing to spend engaging with your content. Shoot for an average of two minutes or more.

- **Conversion rate:** This is the most important marketing metric to track. I like to define conversion rate as the percentage of visitors who provide specific, personal information to your company through your website. This could be an online sale, a form submission, a phone call, an online chat or a gated content download. Average B2B conversion rates hover around 2.5%; make your goal 10%.

The good thing about making mistakes is you can learn from them and correct them. If you are making any of these critical website mistakes, take the appropriate action now to fix them.

Bob DeStefano is a B2B online marketing strategist, author and professional speaker with more than 25 years of experience helping distributors and manufacturers grow their leads, sales and profits online. Learn more at svmsolutions.com or contact him at bdestefano@svmsolutions.com or call (877) 786-3249 x234.

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M&A Virtual Summit

February 25th, 2021

An Industry Deep Dive with Optimas Solutions CEO Marc Strandquist

The newly appointed president and CEO speaks about his longtime career, the health of the fasteners channel and what's next for the company.

Despite the myriad executive titles earned and lofty positions attained during a successful 34-year career in distribution and manufacturing, Marc Strandquist prefers a moniker that best describes his passion for an industry where he's spent his professional life.

By Eric Smith

After all these decades and all these accolades, Strandquist still describes himself as a “fastener rat.” He has earned that distinction, having worked in a variety of roles in the fasteners industry since 1986 when he began as a traveling salesman.

Through different companies and numerous roles in sales, operations and leadership, Strandquist has climbed the ranks to president and CEO of Optimas OE Solutions LLC, the Glenview, Illinois-based manufacturer and distributor of industrial fasteners and supply chain solutions.

Strandquist joined the company as president of the Americas in January 2020 and ascended to the company's chief executive role this past October after a grooming process in which he learned the ins and outs of the company from its private equity owner, American Industrial Partners, and one of its leaders, TJ Rosengarth, who served as interim CEO for about a year before Strandquist's appointment.

Of course, Strandquist joined Optimas on the cusp of the COVID-19 pandemic, so along with such duties as learning the company and its culture both inside and out, he's had to navigate the business through a maze of state lockdowns and customer shutdowns, social distancing and sourcing disruptions. It's a challenge only a true fastener rat would relish.

As he approaches his first anniversary with the company, Strandquist is focused on applying his fasteners acumen to help grow Optimas, an \$865 million-a-year distributor that was spun off from Anixter International in 2015. With his background in both fasteners manufacturing and distribution, AIP is banking on his experience to lead the company to new heights.

“They needed sales growth — that's me.

And, the person before me had no fastener background,” says Strandquist, whose resume also includes a term as president of the National Fastener Distributors Association. “I'm not saying fastener people are smarter than anybody else, but our business is unique, and you need to understand the nuances of it. The ability to look out strategically and develop a plan for the next three years was a perfect fit. And I'm having a ball with it.”

The initiatives Strandquist is leading include a host of technological and talent upgrades to help Optimas compete within its sectors. The company also recently opened a new distribution facility in Overland, Missouri, near St. Louis, that will handle the U.S. distribution of a new line of manufacturing consumable products focusing on personal protective equipment (PPE) and maintenance, repair and operations (MRO).

With so much going on at the company, MDM recently spoke with Strandquist on a wide range of topics related to his decision to join Optimas, how his background is guiding this new role, the state of the fastener industry and what's next for the company he now leads.

Here is our conversation with him, edited for length and clarity.

MDM: Take us through the progression of joining Optimas in January as president of the Americas and then being named CEO just nine months later. Why was this the right opportunity?

Strandquist: At this stage of my career, I'm pretty picky about who I'm going to report to. When I began looking for a new opportunity, I talked to a lot of different people at both privately held companies and PE companies, and then right before Thanksgiving [of 2019], I got a phone call from American Industrial Partners.

In mid-October, they had parted ways with their CEO at the time, and they had put in, on a temporary basis, one of their operating partners. When we first sat down that week after

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Thanksgiving, it was one of those “love at first sight,” “you had me at hello” situations. It was a perfect fit.

MDM: How will the past year leading the company’s Americas division guide you in this new challenge as CEO?

There are opportunities for PPE and safety because of COVID and because we opened up the new facility in St. Louis. While our primary customer is an OEM, what’s interesting about PPE and safety is those can be sold to school systems and hospital systems and a whole variety of people who are now consuming those products at levels never before seen.

— Marc Strandquist

Strandquist: I found that, when I joined Optimas, this was a sleeping giant. But it was lost in terms of having all these great resources and having all these great people without having a really good sense of direction. That’s what this year has been — building up a culture of success.

Our sales pipeline is just exploding right now. Because of COVID, a lot of people are re-evaluating their supply chains. We’ve never had such a large pipeline of quotations that we’re working on than right now. We started to land business and I am excited about what’s going on with manufacturing here in the Americas.

MDM: What was the culture at Optimas when you joined and how have you tried to influence its development?

Strandquist: I believe that people want to be proud of the companies they work for and they want to follow the guy on the white horse. They want to be a part of something special. They don’t want a leader who only says, “Well, you guys didn’t make enough money, so why aren’t you doing this and why aren’t you doing that?”

If all they heard for several years was that

they weren’t satisfactory, that’s a tough thing. A lot of what we’ve been doing since I joined Optimas is re-establishing a culture of winning, re-establishing a sense of pride.

MDM: How has the company navigated the COVID-19 challenge?

Strandquist: The only thing out of my control is COVID and whatever the various state governments do in terms of lockdowns and shutdowns. But my philosophy on that and what I keep preaching to everybody is: I don’t want to hear about COVID [as an excuse] because everybody’s up against it. It’s not like the world’s picking on us.

We have to make our own economy. We have to go out there and get market share. We have to be able to provide the best products and services and achieve the best customer satisfaction levels in the marketplace.

Because of our unique business model, that should position us well to do that. It’s easy for salespeople and others to use COVID as an excuse, but I’m trying to keep that out of everybody’s mind. Everybody’s up against that. It’s time to get out and be aggressive. We’re figuring out how to adapt and improvise.

MDM: You now oversee the planning and execution of the company’s strategic plan for the Americas and international regional business groups. What are the market opportunities for each of them?

Strandquist: Well, certainly there are opportunities for PPE and safety because of COVID and because we opened up the new facility in St. Louis. While our primary customer is an OEM, what’s interesting about PPE and safety is those can be sold to school systems and hospital systems and a whole variety of people who are now consuming those products at levels never before seen.

Another opportunity is on the manufacturing side because not everybody wants to buy from a distributor. There are some customers today who will only buy from the manufacturer; they have no interest in distribution.

As for international, we just think there’s a ton of room for growth in Asia. Our sales there in November were about 40% ahead of the year before. We’re barely scratching the surface. The

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Ferguson's 2021 Forecast Bolstered by M&A

In September, when Ferguson PLC reported its fiscal 2020 results, the HVAC and plumbing distributor vowed to resume M&A after it had paused activity due to COVID-19.

The UK-based company has made good on that promise. Ferguson earlier this month added a couple of bolt-ons to its portfolio when it acquired Old Dominion Supply Inc., a wholesale distributor of HVAC parts and supplies in Maryland and Northern Virginia, and Atlantic Construction Fabrics Inc., a geotextile company operating along the East Coast.

With those two deals now complete after the lengthy drought, Ferguson is poised to access its pipeline of acquisition targets throughout 2021 and return to a normal M&A cadence, said CFO Bill Brundage on a conference call to discuss 1Q earnings. "I would call it a normal pipeline," said Brundage, who was appointed in September. "You should expect to see some additional bolt-ons throughout the remainder of the fiscal year, but nothing large."

Acquisitions play an integral role in Ferguson's growth strategy and contribute about half of the company's trading profit margin in a typical quarter, Brundage said. But the pandemic could spark additional activity as the company targets smaller, independent distributors looking for an early exit. Economic turmoil could bring ample opportunity.

"We're pleased with the engagement that we've had with potential sellers," Brundage said. "It is very difficult to pinpoint deals that we're going to do because most of these businesses are family-run, and this is the biggest decision of their lives. So, trying to culminate those deals and pinpoint the timing is always difficult. But you will see several more deals as we move throughout the year."

Distributor

Amazon.com Inc., Seattle, announced plans to build Amazon fulfillment centers in Oklahoma City, Oklahoma, and Missouri City, Texas. The Oklahoma City fulfillment center, which is anticipated to launch in 2021, will create more than 500 new full-time jobs. The Missouri City, Texas, fulfillment center is also anticipated to launch in 2021 and also should create more than 500 new full-time jobs.

Wayne, Pennsylvania-based buying group **AD** named Darin Davenport as vice president of its Bearings and Power Transmission Division. Davenport most recently served as president and CEO of **P.T. International**, an AD supplier partner. He will assume his new role Dec. 28.

NW Synergy (NWS) — the combination of JanSan and facilities maintenance distributors **North American** and **WAXIE Sanitary Supply** — announced the acquisition of **SWPlus**, a Wichita, Kansas-based integrated distributor of sanitary maintenance supplies and equipment, food service disposables, safety products, skin care and more. Financial terms of the deal weren't disclosed.

Ferguson PLC, Wokingham, United Kingdom, reported sales of \$5.4 billion for the first quarter of fiscal year 2021 ended Oct. 31, up 3.1% compared to the same quarter a year ago. Profit of \$486 million marked a 12.2% increase from the year-ago period. The company's U.S. region saw revenue growth of 3.2% and underlying trading profit growth of 11.3%.

U.S. Lumber Group LLC, a wholly owned subsidiary of **Specialty Building Products LLC**, has agreed to acquire **Mid-State Lumber Corp.** Financial terms of the deal were not disclosed.

HD Supply Holdings Inc., Atlanta, reported sales of \$827.5 million for the third quarter of fiscal 2020 ended Nov. 1, a 0.3% increase compared to the third quarter of fiscal 2019. Net income increased dramatically to \$1.6 billion in the period based on the company's recent sale.

MRO distribution giant **Grainger**, Chicago, announced that Robert O'Keef, vice president and treasurer, has been appointed interim CFO, effective Jan. 1, 2021, following Tom Okray's decision to step down as senior vice president and CFO to pursue another opportunity at a publicly traded company. Okray will continue in his current role until Dec. 31.

Belt Power LLC, a Marietta, Georgia-based distributor and fabricator of lightweight conveyor system components, announced that it has acquired **Rubber Service Corp.**, Commerce City, Colorado. Financial terms of the deal, which closed Dec. 1, weren't disclosed.

Electrical distributor **Graybar**, St. Louis, announced it has completed the acquisition of **Shingle & Gibb Automation**. Financial terms of the deal weren't disclosed.

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The Home Depot, Atlanta, will open two new distribution centers in Perth Amboy, New Jersey, over the next 12 months to “support the growing demand for flexible customer delivery options,” the company said.

Specialty building materials distributor **US LBM Holdings LLC**, Buffalo Grove, Illinois, has acquired **Ridgefield Supply Co.**, a Ridgefield, Connecticut-based building products dealer. Financial terms of the deal weren’t disclosed.

Brady Industries, a Las Vegas-based full-line janitorial supply, equipment and foodservice distributor, announced the acquisition of **Topmost Chemical & Paper**, Memphis, Tennessee. Financial terms of the deal weren’t disclosed.

Amazon.com Inc., Seattle, announced it is opening eight new buildings across the state of Nevada to support customer fulfillment and delivery operations. The sites are expected to create more than 2,000 permanent full- and part-time jobs.

Gases supplier **Air Products**, Lehigh Valley, Pennsylvania, announced that Brian Galovich has joined Air Products as senior vice president and chief information officer.

BMC Stock Holdings Inc. (Nasdaq: BMCH), Raleigh, North Carolina, announced that it has agreed to acquire **TW Perry**, a Gaithersburg, Maryland-based building materials distributor that serves the Northern Virginia, Maryland and Washington, D.C., markets.

Manufacturer

Bearings manufacturer **The Timken Co.**, North Canton, Ohio, has acquired **Aurora Bearing Co.**, Montgomery, Illinois. Financial terms of the transaction were not disclosed.

Paints, coatings and specialty materials supplier **PPG**, Pittsburgh, announced that it has agreed to acquire **Ennis-Flint**, a Greensboro, North Carolina-based manufacturer of coatings, for \$1.2 billion.

Economic

The seasonally adjusted Fastener Distributor Index (FDI) for November was 54.5, down from 56.5 in October but still in the growth range, according to the latest analysis from **Baird, FCH**

Sourcing Network and the Institute for Supply Management. The Forward-Looking Indicator (FLI) also dipped, to 63.2 from 64.5. According to the report, the FLI “retreated moderately but still remains well above 50, seemingly boding well for future demand conditions.”

The **U.S. Census Bureau** and the **U.S. Bureau of Economic Analysis** announced that the goods and services deficit was \$63.1 billion in October, up \$1 billion from \$62.1 billion in September, revised. October exports were \$182 billion, \$4 billion more than September exports. October imports were \$245.1 billion, \$5 billion more than September imports.

According to the latest **Manufacturing ISM Report on Business**, The November PMI registered 57.5%, down 1.8% from the October reading of 59.3%. The New Orders Index registered 65.1%, down 2.8% from the October reading of 67.9%. The Production Index registered 60.8%, a decrease of 2.2% compared to the October reading of 63%. The Backlog of Orders Index registered 56.9%, 1.2% higher compared to the October reading of 55.7%. The Employment Index returned to contraction territory at 48.4%, 4.8% down from the October reading of 53.2%. The Supplier Deliveries Index registered 61.7%, up 1.2% from the October figure of 60.5%. The Inventories Index registered 51.2%, while October reading was 51.9%. The New Export Orders Index registered 57.8%, an increase of 2.1% compared to the October reading of 55.7%. The Imports Index registered 55.1%, a 3% decrease from the October reading of 58.1%.

Construction spending during October 2020 was estimated at a seasonally adjusted annual rate of \$1,438.5 billion, 3.7% above the October 2019 estimate of \$1,386.8 billion and 1.3% above the revised September estimate of \$1,420.4 billion, according to the **U.S. Census Bureau**. During the first 10 months of 2020, construction spending amounted to \$1,189.6 billion, 4.3% above the \$1,140.4 billion for the same period in 2019.

Heating, Air-conditioning & Refrigeration Distributors International (HARDI), Columbus, Ohio, released its monthly TRENDS report, showing the average sales performance by HARDI distributors was an increase of 2% percent during October. The average annual sales growth for the 12 months through October 2020 is 3.1%.

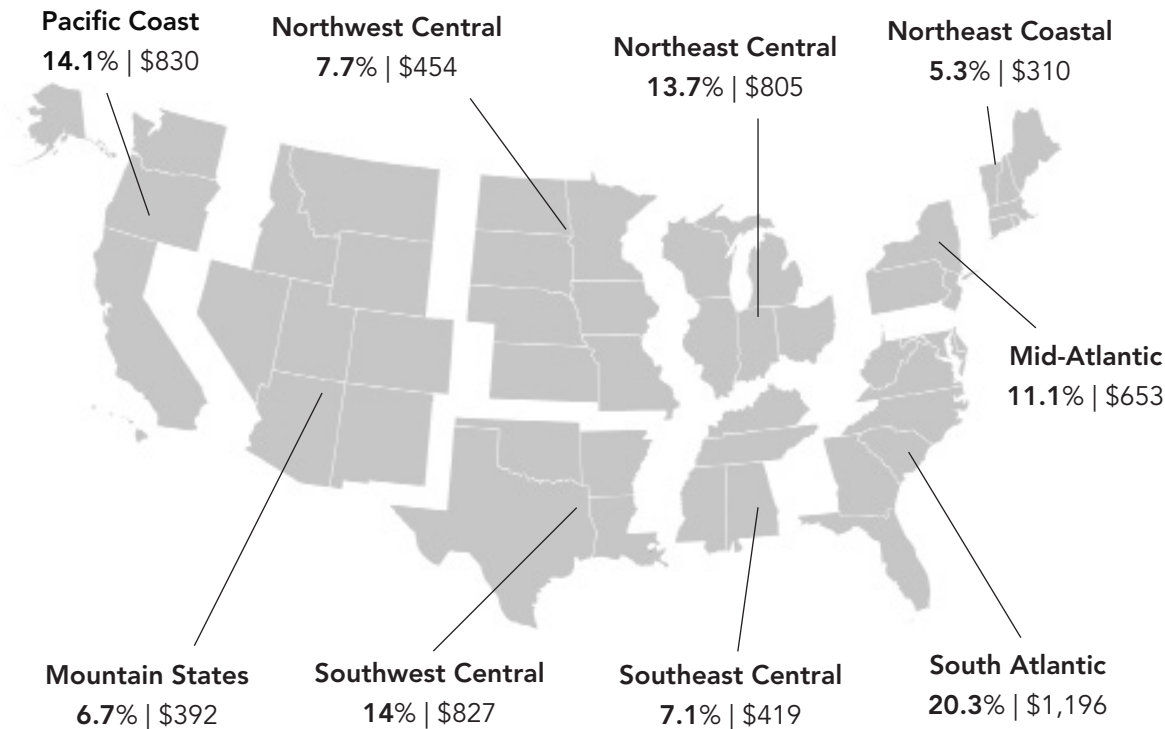
Circuit Protection Devices | Market Snapshot

U.S. Total: \$5.9 billion

Market demand for circuit protection devices in the U.S. was \$5.9 billion as of December 2020, according to data from MDM Analytics. All estimates are 2020 end-user demand, in U.S. dollars, including distributor margin. Includes these categories: MRO and OEM.

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U.S. End-User Market Demand for Circuit Protection Devices by Region, \$Millions (2020)



U.S. End-User Market Demand for Circuit Protection Devices OEM: Top 10 End Markets

Top 10 end markets in \$ volume, by SIC code, consuming Controls Variable Speed Drives (2020 est.)

| End User | Estimated Consumption |
|--|-----------------------|
| 4911 Electrical Services | \$2,068,383,477 |
| 1731 Electrical Work | \$1,611,012,555 |
| 1521 General Contractors-Single Family Houses | \$206,122,440 |
| 1542 General Contractors-Non-Res Bldgs, Other Than Industrial & Warehouses | \$168,831,793 |
| 3731 Ship Building and Repairing | \$141,696,574 |
| 4813 Telephone Communications, Except Radiotelephone | \$114,225,978 |
| 1522 General Contractors-Res Buildings, Other Than Single-Family | \$65,385,493 |
| 3613 Switchgear and Switchboard Apparatus | \$63,417,234 |
| 3621 Motors and Generators | \$62,414,694 |
| 4812 Radiotelephone Commuications | \$57,129,457 |

Source: MDM Analytics, Niwot, CO. Contact info@mdm.com for permission to reprint/share. Learn more about MDM Analytics at www.mdm.com/mdm-analytics.

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number is small, but it can be huge, so we're putting some focus on that.

E-commerce is another high-growth area. We've quadrupled monthly sales in just 10 months.

We're just scratching the surface, but we look at that as an engine of growth — not that we will catch up to Amazon anytime soon, but we can certainly, for our industry, be an equivalent to that in terms of offering people what they can do.

So, all those are markets that we're going to go after. There's plenty of business out there with our traditional business, too.

MDM: The Fastener Distributor Index has grown the last two months; what is the health of the fasteners vertical right now and what's driving such demand in the market?

Strandquist: In terms of our customer base and the consumption of fasteners, I'd say 60% of customers are booming. Some are higher than the pre-COVID numbers right now, so there was a lot of pent-up demand. Others are not doing great, so it's kind of a mix.

In terms of the fastener base, we're seeing capacity is getting eaten up and lead times are extending as people get busier and busier and busier.

And, we're seeing some pricing issues that we've got to try and deal with because one of the first things people do when capacity gets tight is inch up their pricing and try to take advantage of it.

There's not as much of an issue with the fastener suppliers as there is with the supply chain. Freight costs have doubled, if not tripled, in some areas because everybody's so busy. And we're seeing problems getting containers off the boats over on the West Coast and other ports of call.

MDM: What role has M&A played for Optimas in its first five years and how do you approach the company's role as a key asset in AIP's industrial portfolio?

Strandquist: AIP is interested in further acquisitions. But this year, between the restructuring and then COVID, no one's been too excited

about doing anything. I would think next year you would see us do one or two small to medium acquisitions — companies that would help us improve our geography or product offering or that get us into a market we're not in today.

Right now, we're focused on finishing out

E-commerce is another high-growth area. We've quadrupled monthly sales in just 10 months. We're just scratching the surface, but we look at that as an engine of growth — not that we will catch up to Amazon anytime soon, but we can certainly, for our industry, be an equivalent to that in terms of offering people what they can do.

— Marc Strandquist

the year strong, completing our IT upgrades, getting our refinancing complete by Dec. 30. After that, we'll see what the new year brings.

MDM: What specific goals does the company have for 2021 in terms of typically measured areas such as revenue, EBITDA, or other growth metrics?

Strandquist: In three years, I'd like to increase the size of the company by 50%. Currently, the post-COVID level is we're roughly \$55 million, \$60 million a month in terms of sales.

We're not back to 100% of the pre-COVID levels, but we've made all our changes and we're profitable.

When you look at Optimas — and I know a lot of CEOs blow a lot of sales gas and talk about what they would like to do — what I'm most proud of is talking about what we have done. I love talking about our team and what they've accomplished.

We're a totally different company now. We've got a good mix. We've been able to promote from within a lot, but in spots where that's not possible, we've been able to recruit some talented people. We're excited about the future.