



## Creating Business Partnerships: Is Consolidation The Right Choice For Your Business?

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In a highly fragmented and fiercely competitive market, a test of wills is underway. Will small to mid-size businesses resist market consolidation, or will they strategically choose to partner and push beyond their individual capabilities?

If your organization chooses to resist market consolidation, then prepare for several significant challenges requiring careful consideration and planning in order to move to the next level and become a more successful player in this fast changing industry.

### Here Are 4 Business Challenges Your Small Business Must Overcome:

1. **Working capital** –The lack of working capital is the leading threat to most small businesses. Most small businesses are already undercapitalized with no access to the type of working capital needed to break into the next level of business. Working capital is a must for financing new receivables and purchasing additional inventory associated with a growing customer base.
2. **Time Allocation and Focus** –Your focused time and attention consumed by your ongoing daily operation activities such as inventory management, vendor relationships, order fulfillment, accounting and information technology leave little time for the one revenue producing activity: SALES. Outsourcing non-core functions and placing the focus back on sales and marketing is a workable solution for many small businesses that have the capital needed to initiate the outsourcing process.
3. **Products and Services** – Today's consumers expect more from their providers. For example, in my toner industry business, office customers want more than cartridges on demand. In addition to the base-line services of cartridge delivery and empty cartridge pick-up, customers want value-added services such as printer maintenance, operator training, technical support and complete print management services. As more customers streamline their own operations to focus on core business functions, they become increasingly persuaded by the advantages of complete one-stop-shop solution. Offering a one-stop-shop solution will allow you to develop and strengthen customer relationships while improving profitability.
4. **Geography** – Increasing sales is a good indication of your business's strength. One way to achieve this goal is to gain access to the broadest geographical territory possible. However, many small to mid-sized businesses find themselves limited by the reach of their service provider network. Expanding an existing service provider network or developing one for the first time is an option that must be considered for continued growth.

### Overcoming Your Small Business Challenges

The challenges facing the average small to midsize business owner are daunting, especially for a sole proprietor who struggles to keep juggling so many balls in the air. The time has come for you to step back and develop a strategy-building plan that builds loyalty among existing customers and takes full advantage

of changing market conditions.

Your business plan should enable you to attract the working capital needed to expand your business and stay competitive. The early adapters will reap the biggest rewards. If you lack the skills needed to adapt independently, another alternative worth investigating is partnering with an existing national toner supplier.

### **The National Partner Value Proposition**

Partnering with the right national provider offers tremendous advantages to toner suppliers facing many diverse challenges.

*Here are three major benefits you'll receive by partnering with the right national partner:*

1. Ideally, you'll gain access to centralized web-based processing systems that handle day-to-day activities such as order taking, order fulfillment, billing, collections, payments and service calls. This results in more available time to focus on revenue producing activities like selling, marketing and business planning.
2. You'll gain access to a wider range of products, increased marketing capabilities, larger territories and improved buying power that lead to better margins.
3. You'll have an opportunity to equip an existing operation with best practices. Every small to mid size toner supplier has a certain flare or niche they've developed to succeed. As individual suppliers join forces and share what they've learned in the industry, a new industry standard will be established.

### **Change Is Inevitable**

Consolidation may play a major role in your business's future. The high number of small to mid-businesses, locked in fierce competition for market share and besieged by the daily demands of running their businesses, must lay the groundwork now. For those business owners unable to step back and focus on adapting their businesses, they risk a diminishing customer base and an uncertain future.

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