

# Her supply-side service pays off

Plenty of places can ship office supplies. But do they know your name — and that you really need those Post-it Notes tomorrow? Jennifer Smith says relationships make her company a success.

By Leslie Brooks Suzukamo  
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Sure, every business needs office supplies. You've got to keep the supply cabinet stocked, and, occasionally, you buy a chair or a new file cabinet.

But dog biscuits? Dog treats are one of the few things not included in the phonebook-size catalog of office and janitorial supplies and furniture for Innovative Office Solutions, according to Jennifer Smith, the company's president.

But when a small bank that was handing them out at its drive-up window to customers who brought their dogs along needed to stock up, one of her sales representatives scrambled to meet the request.

The dog biscuit episode is an example of how Smith believes her small, independent office-supply company in Burnsville can use highly personalized service to take market share from big-box suppliers such as Staples or OfficeMax.

"Relationships matter," she said. She sells commodities, where you'd think a low price trumps all, but in the just-in-time world of office supply vendors, her company tries to know its customers inside and out so it can deliver needed supplies the next day, no matter where the customer is located or what they ordered.

"A Post-it Note is a Post-it Note, but if you're out and you need it tomorrow, and you don't get it, you can't run your office," she said.

## TALK BACK

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The strategy appears to be working.

Despite the recession, her company's sales grew to \$16 million last year, up from \$14 million the year before.

For 2009, the company is targeting sales of \$22 million, expecting to grow by taking more market share.

It also hopes to sell a broader range of products — such as janitorial supplies — to existing customers. Smith said she hired four people in December, including two sales representatives whose job is simply to do follow-up calls with customers to make sure they're happy.

"We're growing. A lot of businesses are tired of being just a number when they call up their suppliers," she said.

Nance Torrence, operations manager at Salo, a Minneapolis professional staffing company, said she's stayed with Innovative Office Solutions for more than two years, because it gets her the supplies she needs the next day.

Some companies she's used would run out and put her supplies on back order.

Another customer, Tim Wolfgram, facilities manager for the Minnesota Wild in St. Paul, said, "When I call them, I say,

## COMPANY SPECS

**Name:** Innovative Office Solutions

**Business:** Office supply and furniture provider

**Location:** Burnsville

**Web site:** [www.innovativeos.com](http://www.innovativeos.com)

**Founded:** 2001

**Owner:** Jennifer Smith

**Employees:** 45

**2008 revenue:** \$16 million

**Competitors:** Staples, OfficeMax and Office Depot and independent local suppliers like S&T Office Products and Bertleson Total Office Solutions

**Challenge ahead:** Grow despite a recession

'I'm Tim Wolfgram,' and they know who I am. They don't say, 'What is your account number?'

"I've probably got a dozen people (working for the Wild) who place orders, and I know that they will be treated the same way."

Smith, 42, grew up in the office-supply business. Her father had a small office-supply company in Northfield, Minn., where she grew up, until he sold it in 1994.

A couple of years later, Smith



PIONEER PRESS PHOTOS: SCOTT TAKUSHI

Jennifer Smith is president of Innovative Office Solutions, an office-supply and furniture provider in Burnsville. Up against such big-box names as Staples and OfficeMax, Smith says service relationships with her customers are driving her company's growth.

bought back her dad's business and moved it to Eagan, where there were more potential customers, including many who were eager to work with a business owned by a woman. Smith went from a single sales representative to a team of 12, and revenues shot up from \$900,000 in 1996 to \$12 million the next year.

But the industry was consolidating, and small, independent dealers were being bought out or beaten down by the big box operators, Smith recalled.

Thinking it would be the right thing to do for her customers and her employees, Smith sold the business in 1997 to a big company called U.S. Office Products, based in Washington, D.C.

But after U.S. Office Products went bankrupt in early 2001, a few dozen of her former employees approached her about starting a new business.

So in June of that year, she launched Innovative Office Solutions.

Then Sept. 11, 2001, hit, and business seized up.

"It was truly a testimony to the people here," Smith said. "They were working 60, 70 hours a week. We sold a lot of used furniture. I look back at that time and say we probably



But what they learned, Smith said, is coming in handy now.

Once again, orders for supplies aren't as big as they used to be, and used office furniture is selling better than new.

But Smith said that if her company stays in close touch with her customers, the big orders will return when the economy recovers.

Her company this year instituted a "green" program that offers products made from recycled materials and provides incentives to reduce the number of deliveries per week. That way, Innovative Office continues to deliver without charging extra, even when gas

mer, Smith said.

Her company also did away with a warehouse for its products, which saves on overhead. Instead, it partners with a wholesaler with 36 warehouses across the country.

Finally, her company invested in an online ordering system from the start, which saves money and time for customers.

"I think we're in for a tough time, like in 2001," she said of this year. "That's why we're investing in more people and trying to be as efficient as possible, so we can survive."

Leslie Brooks Suzukamo can be



In a meeting last week at Innovative Office Solutions, Ken Ledebor, left, Jason Player and Jennifer Rosenzweig discuss company business. Company founder Jennifer Smith says the business has staffed her in the past. (Pioneer Press photo, Jan. 11, 2009)