



# FM Resources: Successfully Executing an Effective One-Stop Shop Strategy

Fabricio Morales, FM Resources



A lot of dealers talk about positioning themselves as a one-stop shopping resource for their customers, but few bring to that process as much passion and commitment as Fabricio Morales and his team at FM Resources in Rochester, NY.

FM Resources opened for business in Buffalo, NY in 1995, as a stock-less operation with just three employees and a product mix that consisted of traditional office supplies and not much more.

Fast forward thirteen years' worth of hard work and disciplined management and Morales' dealership today has a staff of 72, a 50,000 sq. ft. distribution center in Rochester and a product mix that not only includes office supplies, but contract and mid-market furniture, janitorial and cleaning products, advertising specialties, coffee and breakroom items and more.

"More and more of our customers are contracting their supplier base and it just makes sense for them to buy more from one reliable source that they have a relationship with," Morales points out. "It makes it easier for the customer, not only to get what they are looking for but also to streamline their operations."

## Building on Relationships

Buying into the logic of that argument and using it to drive sales growth in a fiercely competitive market are two very different things, however, and Morales doesn't underestimate the challenges involved in making the one-stop approach work.

"It starts with the relationships you have with your customers and your ability to meet their needs," he contends. Potential diversification opportunities may well emerge from those relationships but that's just the beginning, Morales stresses.

"You really have to take a hard look at the economics of any new product expansion," he maintains. "Is it a good business decision and can you afford the infrastructure to support what the customer is looking for? And the execution in any new category has to be such that you're providing better service than any of your competitors who focus only on that market."

## DDMS: Making Growth Possible

For Morales and his team, DDMS plays a key role in meeting those challenges.

"Our DDMS system was one of our first purchases when we opened the business and it's been critical to our growth over the past thirteen years," he recalls. "DDMS allows us to truly manage our diverse supplier base more effectively," he says.

"This is a complex business and without a good business tool like DDMS, it would have been impossible for us to grow as we have."

**"it's [DDMS] been critical to our growth over the past thirteen years"**

Morales' background was far more in office furniture than supplies. He grew up in Mexico City and moved to the U. S. at the age of 19 as an exchange student. After graduating as a business management major, Morales joined a large Steelcase dealership in Dallas and worked for Haworth and Knoll before moving to upstate New York and founding his own office products dealership.

While the dealership initially focused on local Fortune 500 giants such as Eastman Kodak, Bausch and Lomb and Xerox, its target today is the independent's traditional mid-market sweet spot—defined by Morales as offices with fewer than 200 employees.

## Putting People First

It's a market that calls for a high level of service and an equally high level of responsiveness to individual customer requirements. And, Morales points out, it's another area where the flexibility of the DDMS system allows his dealership to shine.

"With DDMS," he continues, "we have a tool that allows us to make a significant number of changes to accommodate various customer needs. Our larger competitors tend to take the view that the things we do are either too costly or make no business sense for their own model and that gives us an edge in the marketplace."

Morales is equally enthusiastic about the company's ECinteractive™ online ordering platform. "Any dealer today needs to be able to give their customers a front end they can depend on and ECinteractive is all that and more," he says.

Online sales have been growing steadily at the dealership. Today, they represent close to 40% of total supply sales and Morales' goal is to take that number up to 60% in the near future.

But while an increasingly broad product mix and a strong technology backbone are two key elements of the FM Resources business model, Morales is quick to make it clear they are by no means the most important elements.



# “...partners like DDMS help us respond to tough challenges and new growth opportunities.”

“People come first,” he says, echoing the corporate values posted on the FM Resources web site. “It all starts with great salespeople and the relationships they have with our customers. And they’re backed up by our customer service people and beyond them, our delivery people, the ones our customers see day-in, day-out.”

## Training and Leadership

Morales points with pride to a veteran team of hard-working professionals as a key factor behind his dealership’s success. “Training and mentoring of our employees is very important at FM Resources,” he says. “And even more important is making sure we have the right leadership team in place to provide that coaching.”

## THE SOFTWARE BEHIND THE SUCCESS

### ECi DDMS®

DDMS is the **most powerful** and complete automated business solution for office products, office furniture, business equipment and more.

### ECi ECinteractive™

ECinteractive is a superior Web storefront experience that’s not just designed for customers like yours — it’s **designed by customers** like yours. Making online purchases faster and easier than ever, ECinteractive offers powerful search features and state-of-the-art technology using AJAX, SQL databases and the Microsoft® .NET programming framework.

### ECi RoutePerfect™

RoutePerfect makes it easy to optimize routes on a daily basis for maximum delivery efficiency, saving you fuel and driver labor.

### ECi RouteTrak™

RouteTrak signature capture and proof of delivery solution, provides electronic delivery confirmation and prevents disputes involving delivery and billing.

If the list of awards posted on the dealership’s web site offers any indication, Morales’ management approach has been working well. The company has been a regular feature in the annual Rochester Top 100 list of businesses since 2002 and while mid-market customers represent its primary focus today, that didn’t prevent them from earning honors last year from Eastman Kodak as that company’s Supplier of the Year.

Morales himself last year was named Minority Small Business Person of the Year for his region by the U. S. Small Business Administration, reflecting his strong leadership and involvement in the community at large.

## An Evolving Market

The market where FM Resources operates has been challenging, to say the least. An economy that was once driven by its Big Three corporate giants—Eastman Kodak, Bausch & Lomb and Xerox—has been hit hard by downsizings and layoffs. Rochester’s workforce in the manufacturing sector has shrunk from 112,000 jobs ten years ago to just 73,000 today.

At the same time, though, the city has worked hard to re-invent itself around a new, services and technology-based economy and Morales and his team have responded aggressively to new customers and new demands. Education and healthcare have been growth markets and he expects them to continue strong.

“Even in a depressed market, we’ve been able to grow,” Morales says proudly. “We’ve got good people who’ve been innovative and agile enough to adjust to downturns in the overall economy and partners like DDMS help us respond to tough challenges and new growth opportunities.”

There’s an optimism that comes through loud and clear as Fabricio Morales discusses the outlook for his dealership in the coming year. He freely admits sky-high gas prices and turmoil in the housing and financial markets have got him concerned. But at the same time, he points to the strength of his organization and a growing base of loyal customers as reasons for confidence about the future.

It’s not going to be easy and Morales knows that. But if the past performance of the dealership he founded thirteen years ago means anything at all, it’s that there are plenty of good reasons today to be confident about that dealership and its prospects going forward.

### FM Resources’ Corporate Values

- People come first.
- We excel at what we do.
- We are innovative.
- We help others.
- We empower employees.
- We really have fun.



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