

Research Park Offers Place to Build 'Smart Building' for Distribution Company

It could very well be every business owner's dream to have little or no competition.

Tom Fleming, president and chief executive officer of **Distribution Management Incorporated (DMI)** in St. Charles may be living that dream. Well, sort of.

A provider of technology and services to an independent dealer channel that sells computer and imaging supplies, DMI competes with only a few companies – two are national dealers and two are national retailers. And, really, those companies are only a "perceived" threat because they compete with DMI's dealers.

Nonetheless, DMI must remain competitive. As a way to help its dealers compete, DMI recently completed a four-year, \$4 million project to develop software that "will allow us to provide state-of-the-art technology support to our dealers," Fleming said.

This proprietary software is a complete operating system that covers everything from order entry and inventory to distribution management and Web technology.

"It provides dealers with a resource they couldn't afford on their own," Fleming said.

DMI, whose annual sales are \$200 million, is the parent of a wholly-owned subsidiary, Supplies Network, that represents more than 70 manufacturers of computer-related accessories and supplies. The

company buys product from companies like IBM, Hewlett Packard, Xerox, Fuji, and Maxell and provides those products to its dealers. One hundred percent of Supplies Network's business focus is selling computer, copier, fax, and printer supplies to independent dealers across the United States.

DMI's services include product management, order entry, distribution logistics, marketing, finance, and technology. Part of its marketing includes managing Web sites for its dealers, as well as offering other marketing tools such as print-on-demand catalogs, direct email campaigns, and direct mail.

"The dealer can be in business as a sales organization, and we provide all other infrastructural support," Fleming said.

Prior to founding his own business, Fleming worked for the office products division of IBM. After having been a dealer for nearly two decades, he founded DMI in 1990 and built a 26,000-square-foot facility St. Louis County. His inspiration for starting what he considers a non-traditional, full service wholesaler was the realization that there was a need for a much more professional wholesaler-to-dealer relationship.

Just five years after starting DMI, the company expanded and 26,000-square-feet of office space was added to the facility. While recently looking at the plan for the future, Fleming said DMI was ready to expand again, but also needed to operate from a "smart building" in a class A office environment.

So, in April 2002 DMI moved into the Missouri



DMI's new 50,000-square-foot facility in the Missouri Research Park.

Research Park in St. Charles. The company's new facility is a 50,000-square-foot, high-tech building that "gave us the presence we needed...and the opportunity to partner with the University of Missouri system," Fleming said. He also said that the new building will allow the company to stay put for at least 10 years.

Right now, the company occupies only about 40,000 square feet, 5,000 of which houses conference facilities for dealers and suppliers. DMI handles all the "logistics" of the meetings. The conference facility has capacity for 36 students, and the ability to plug in their laptop computers.

Fleming said DMI's location at Highways 40 and 94 offers an ideal location for conference facilities, especially with its proximity to hotels and other necessities.

"We're doing a lot of things that the traditional wholesaler does not do," Fleming said. "We've taken the focus off the product and put the focus on services. That differentiates us from our competitors. Our future is extremely bright."

That future includes adding a distribution center in Dallas to the two the company already operates in St. Charles County and Harrisburg, Pa.



Greg Prestemon

President

gprestemon@edcstcharlescounty.com

5988 Mid Rivers Mall Drive
St. Charles, Missouri 63304
636.441.6880
Fax: 636.441.6881
www.edcstcharlescounty.com

118 North Second Street
St. Charles, Missouri 63301
636.916.0522
Fax: 636.940.0408