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Netstationers wins clients with free web tool

By Richard Morris

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An online system to help customers monitor spending and cut costs is helping a stationery franchise to maintain sales despite the recession.

Steve Dowling's Chester-based branch of Netstationers provides around 150 businesses around Manchester and Cheshire with everything from paperclips to chairs.

He said some of his customers had reduced the frequency of their ordering but the cost-cutting offer had helped generate new business.



Steve Dowling

Netstationers' online ordering system enables customers to choose from around 20,000 office products sourced from two stationery wholesalers, Sheffield-based VOW Europe Ltd and Cambridge-based Spicers Ltd. For larger

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companies with several branches the system is designed to allow them to monitor their spending closely and reduce costs by purchasing centrally.

Dowling said: "People have kept more of a focus on their ordering and rather than order every week they'll do it every two weeks and wait until they have used their stock."

"The good news for us is that we've had a lot of take up of new business. People are looking at their costs and coming to us to see if we can help. I have not had many direct enquiries before from people saying "can you have a look at my business?'"

Dowling previously worked in logistics for the toy manufacturer Lego but decided to start his own franchise when the operation he worked for moved to France. In October 2002 he paid £20,000 to become one of the original five Netstationer franchisees.

Online software

His company, SD Stationers Ltd, had a turnover of £500,000 in the year to July 31, 2008 and has a projected turnover of £750,000 this year, 13 per cent of which will go to the parent company.

Netstationers has started using its online software to allow companies to keep track of their spending in other areas such as on mobile phones and travel. The company is sticking to stationery as its core business but Dowling said the additional analysis service was proving popular.

He said: "Our software helps them focus on what they are spending in other areas and who is spending what. A lot of larger companies are starting to take us up on that and the system is free to them, based on us providing their office supplies."

Not all stationery suppliers are convinced the internet is the future, however. Fourjays Office Ltd, based in Swinton, supplies to over 100 businesses in the Greater Manchester area and parts of Cheshire and like Netstationers, its two main suppliers are also Vow and Spicers. However it does not take orders over the internet and managing director John Hinchliffe said there are no plans to do so.

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He said by going online the company would be up against the likes of Amazon who sell office products such as paper shredders for less than he pays to buy them in. Fourjays had a record January in terms of sales and Hinchliffe expects turnover to hit £750,000 in the current year, which ends on July 31.

He said: "We are selling a personal service. There are bigger companies out there but for the smaller dealers it's about service and helping the customer."

Fourjays does have a website but it has little more than contact details and a brief description of the company. Hinchliffe said: "We need to create a website that's more meaningful in terms of information but we are not looking to go down the route of chasing business across the country. We can't send a van to Carlisle, it wouldn't be practical. If we were getting orders from across the country then it would be out of our control to service them."

"In my mind if you are in the internet game then you are up against everyone else. It might be great for the end user but how does anyone else make a living?"

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