

Major European buying group looking for innovative suppliers at Sourcing & Innovation Days 2007



Jan van Belleghem, Director interACTION: "There are definitely opportunities for smaller and medium-sized European companies to work with us."

European wholesaler alliance interACTION has 10 members with combined sales of over €1.8 billion. interACTION is represented at Sourcing & Innovation Days 2007 by UK member Kingfield Heath and by Jan van Belleghem, the alliance's director who has overall responsibility for sourcing new products for interACTION's own Q-Connect brand.

ISG spoke to Jan van Belleghem about what he is looking for at this year's event, and the latest developments at interACTION.

ISG: What are you hoping to achieve at this year's Sourcing & Innovation Days.

Jan van Belleghem: At Sourcing & Innovation Days, I'll be doing two things. Firstly, looking for products for our Q-Connect range, and then secondly looking for products on behalf of our members that they can include in their catalogues. For the latter, I'll especially be looking for added value or niche products, rather than commodity products.

ISG: Any particular product types?

Environmentally friendly products

Jan van Belleghem: We're keen to develop our environmentally friendly products ranges. Not just branded products, but also products that could fit into our Q-Connect product assortment. There are still possibilities for our 2008 catalogue, and I'll certainly be looking closely at Sourcing & Innovation Days for any suppliers that have products in this category.

We also want to put a greater emphasis on technology products, items that you find on or around a computer, to

reflect the growing use of these products at home and in the office: computer, digital camera and laptop accessories, etc. Personally, I also think that 2007 will be the year of VOIP related products such as headsets and VOIP compatible handsets.

ISG: And you are happy sourcing these products from Europe?

Jan van Belleghem: In terms of environmentally friendly products, I think that European suppliers still have an advantage over Asian suppliers. There is a greater awareness of environmental issues in Europe, and manufacturers have developed more appropriate offers for the market.

ISG: You've recently opened a sourcing office in China. How is this organised?

Jan van Belleghem: Yes, our China sourcing office opened on 1st December 2006, and so far we are very happy with the results and are confident that we have made the right decision.

Currently we have one person who, based on our input, is looking for sources, following up on new suppliers, assisting with the artwork process, ensuring that labelling is correct, being present at the first shipments. We are also assisting our members in importing non-Q-Connect brand products directly from China, thereby cutting out intermediaries in Europe. With Facilities Management products, for example.

ISG: I guess that EU suppliers won't be too happy to hear that!

Still sourcing a lot of products from Europe

Jan van Belleghem: Well, there is definitely a chance for European companies to work with interACTION, even small and medium-sized ones. Despite having opened a new sourcing office in China, we are still buying quite a lot of products from Europe. And there are opportunities for both private label and non-private label products. For private label, we are interested in companies who can manage their cost structure and have the right price/quality ratio. For non-private label, I would say that a product has to be original, perhaps a niche product, and one that provides added value. Quite a few of our members are very active distributing into the retail channels as well, so products that are suitable for this environment could be something we're looking for. Concept and design can sometimes be as important as price. In all cases, we're looking for companies that are well-organised, have good logistics systems and reliable services.

ISG: You've mentioned the Q-Connect brand a number of times. How is the brand developing?

Record year

Jan van Belleghem: 2006 was a record year for our Q-Connect products. Sales grew by 17% and we exceeded €100 million in sales. We've updated the artwork on the packaging and are always adding new products to keep the range fresh. I think that our quality conscious attitude, finding the right balance between price and quality, and not necessarily just going for the cheapest option, is paying off. Our members are learning from each other how to market the brand successfully, and many of them are now investing more in the marketing of the range. What we can see in some cases is that sales of the Q-Connect products are actually growing at a faster rate than the overall sales of a member.

ISG: Russian wholesaler Bureaucrat joined interACTION in 2006. What impact has this had?

Jan van Belleghem: Yes, Bureaucrat joined our alliance in June 2006. It started to sell Q-Connect products in 2007, so it's too early to give precise figures yet. Bureaucrat is an interesting company to have within our membership. It began life as an importer and wholesaler of computer accessories, before moving into classic office products, which is the opposite of most of our other members. Therefore it has an experience in the IT sector which can benefit our membership as a whole.

Increasing the membership

ISG: Are you looking to add members from any other countries?

Jan van Belleghem: You only have to look at a map of Europe to see that Italy represents a large blank spot in terms of membership. It's not a goal in 2007 to add an Italian member.

There are certain obstacles that would have to be overcome. For example, with our policy of having just one member in each country, an Italian member of the alliance would have to have a nationwide coverage. Another factor is that a driving force behind interACTION is the development of our Q-connect brand. If a company already had a well established brand of its own and was not willing to develop Q-Connect, then a partnership would be difficult. So these are two elements which make things difficult, but we are not ruling out finding a suitable partner in the future. As I say, it's not a top priority and there is no pressure to find someone quickly. The organisation is strong enough with or without an Italian member.

interACTION at a glance

- ▶ 10 European members
- ▶ Collective sales of over €1.8 billion
- ▶ Distribution in over 20 countries
- ▶ 40 warehouses throughout Europe
- ▶ 5600 employees
- ▶ Own Q-Connect brand with over 2000 products