

CASE STUDY:
The Raw Office and STG Logistics

January 19, 2022



Introduction

The brick and mortar incumbent brands in office supplies, such as Office Depot, Staples and Grand & Toy are no longer resonating with the public and have little to no millennial appeal, making them ripe for disruption.

NEARLY 70% OF AMAZON SHOPPERS ARE EITHER 'MODERATELY' OR 'VERY' CONCERNED ABOUT COUNTERFEIT PRODUCTS ON AMAZON.*

Many companies are unaware that these companies prioritize their vendors over their customers. Of if they are aware, they've been unable to find viable alternatives.

They may use Amazon or Office Depot to benchmark prices, but then still engage in costly and time-consuming "shopping around."

72% OF AMAZON SHOPPERS STILL PRICE CHECK ON OTHER SITES.*

Overview

RAW OFFICE CONSULTED WITH STG LOGISTICS TO REVIEW AND OPTIMIZE OVERALL SPEND ON OFFICE AND WAREHOUSE SUPPLIES, TO GAIN VISIBILITY INTO THEIR SPEND AND TO IMPROVE CONTROL ON THE BASKET OF GOODS BEING PURCHASED.

STG has an ever-expanding network of warehouses and partner CFS facilities, covering the entire United States. They offer a full range of Ocean CFS, Air CFS, distribution and transportation services for a wide range of specialty import, retail, and freight forwarder customers.

With over 30 locations, and over 2,000 staff, there were a number of different parties at STG placing orders with a variety of vendors. This resulted in fragmented spending, and very little high-level overview of Office Supply procurement.

* The 2019 Amazon Consumer Shopping Study <https://learn.cpcstrategy.com/rs/006-GWW-889/images/2019-Amazon-Shopper-Survey.pdf>

The Challenge:

- Out of control office supplies and indirect spend
- De-centralized ordering of office materials
- Staff time spent on ordering
- Time and cost spent on returns
- Non-competitive pricing from current suppliers
- Too many supplier relationships to manage successfully
- Numerous vendors created difficulty confirming when product had been delivered
- Lack of easily accessible data on spend and eco performance

The Landscape

STG logistics was facing issues and difficulties very typical for clients of big office supply companies like Staples and Amazon.

Customer service

The big office supply companies are not known for their customer service.

The customer review 5 star ratings are as follows:

Amazon *2.5/5*

Amazon Prime *1.5/5*

Staples/Office Depot *1.5/5*

BY CONTRAST, RAW OFFICE SCORES *5/5*

Returns

The average level of returns for Staples and Business Depot is 30% The time taken to manage all these returns on the client side can be overwhelming.

The environmental footprint of returns and exchanges can be very problematic. Raw Office platform focuses ordering on a curated “very short list” of pre-approved products. This reduces customer returns to less than 1%.*

* The Toronto Star <https://www.thestar.com/business/2017/01/15/online-shopping-drives-surge-in-holiday-returns-and-what-happens-next-may-surprise-you.html>

Errors

Office supplies are often ordered “on the fly” or while multi-tasking. Those placing the orders are often junior staff people. Errors are bound to occur when staff are searching through pages and pages of options for each product.

THE CURATED LIST PROVIDED BY RAW OFFICE FOCUSES ORDERING ON A VERY SMALL, PRE-APPROVED LIST. THIS TAKES RETURNS AND REFUNDS FROM AN INDUSTRY STANDARD OF 20% TO LESS THAN 1% FOR CLIENTS AT RAW OFFICE.

Fraud

RAW OFFICE PLATFORM HAS SCORED BETTER THAN BOTH AMAZON AND STAPLES IN RECENT WEBPAGE TEST BY CATCHPOINT SECURITY TESTS.

In addition, Amazon Marketplace is currently struggling with vendors offering fraudulent branded products across numerous product categories. Raw Office deals exclusively with a handful of trusted vendors, and all branded products have guaranteed authenticity.

Raw Office Solution

THE RAW OFFICE TEAM CONDUCTED A THOROUGH ANALYSIS OF STG’S SPEND ACROSS ALL LOCATIONS. THESE ARE THE ELEMENTS OF THE SOLUTION:

- Comprehensive audit of current spend across all locations.
- Creation of streamlined Curated List to identify most-purchased SKUs, reduce errors, reduce time spent, drastically reduce returns.
- Demonstrated side-by-side like-for-like financial savings on a product by product basis.
- Customization of Raw Office Platform to allow GL codes, multiple shipping addresses, and multiple billing addresses.
- Installation of a senior-level dedicated account manager.
- Regular training sessions with STG to ensure platform use is optimized
- Systematic Proof of delivery, including signature and photo proof, where required.
- Access to real time savings dashboards showing both financial and environmental improvements

PRIOR STATE		USD\$
Annual Spend - Product		\$644,256
Annual Spend - Labor		\$20,160
Annual Total Spend		\$644,416
# of Locations		35
Ordering Style		Decentralized
Ordering Frequency / Year / Location		26
Hours to Place Order		0.45
Hours for AP		0.25

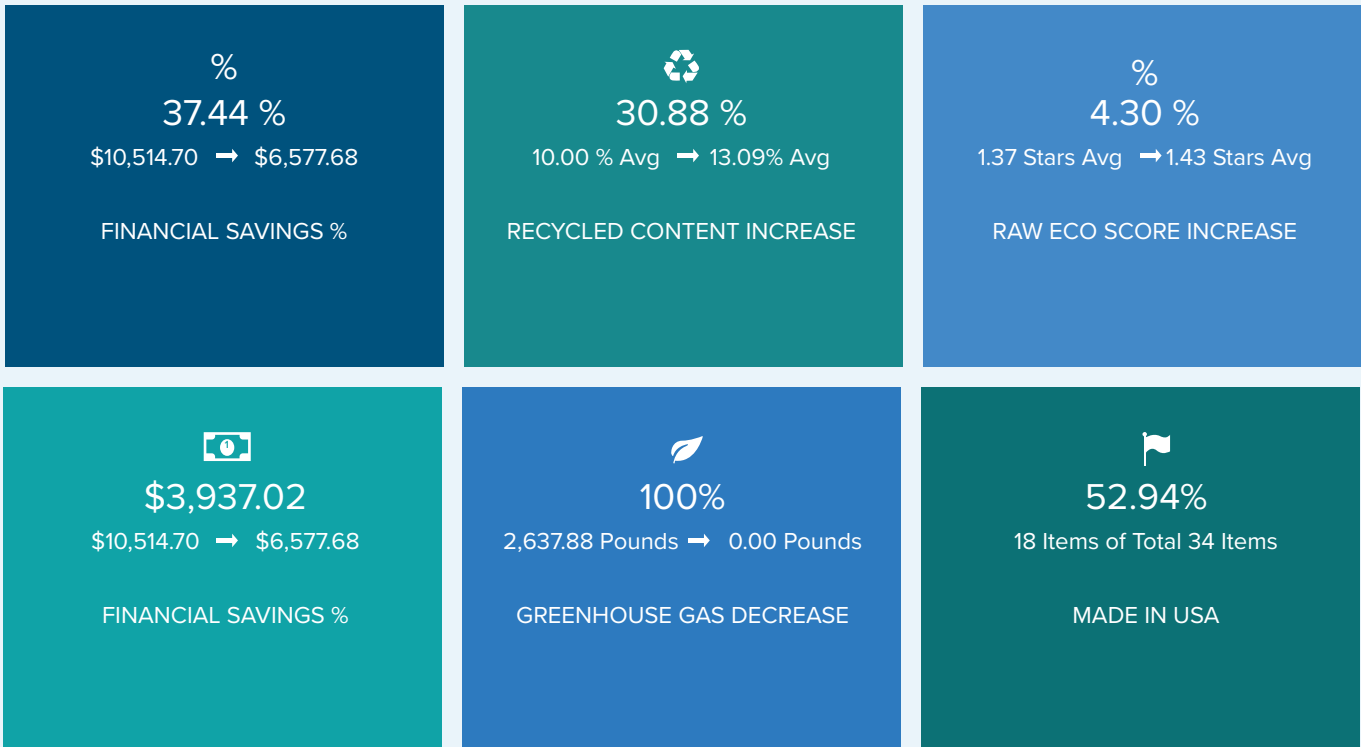
NEW RAW OFFICE PLATFORM		USD\$
Annual Spend - Product		\$383,332
Annual Spend - Labor		(\$20,160)
Annual Total Spend		\$363,172
Total Savings		43.63%
# of Locations		35
Ordering Style		Centralized
Ordering frequency per year		26
Software Customization Costs		\$0
Initiation, Licensing & Start Up Costs		\$0
Training & Onboarding Costs		\$0
Recycled Content Increase		12%
Green House Gas Emissions Decrease		100%

The New Platform

Raw Office provides customers with stylish, easy to understand savings and eco data for sharing with stakeholders and staff.

Last 5 Orders Summary

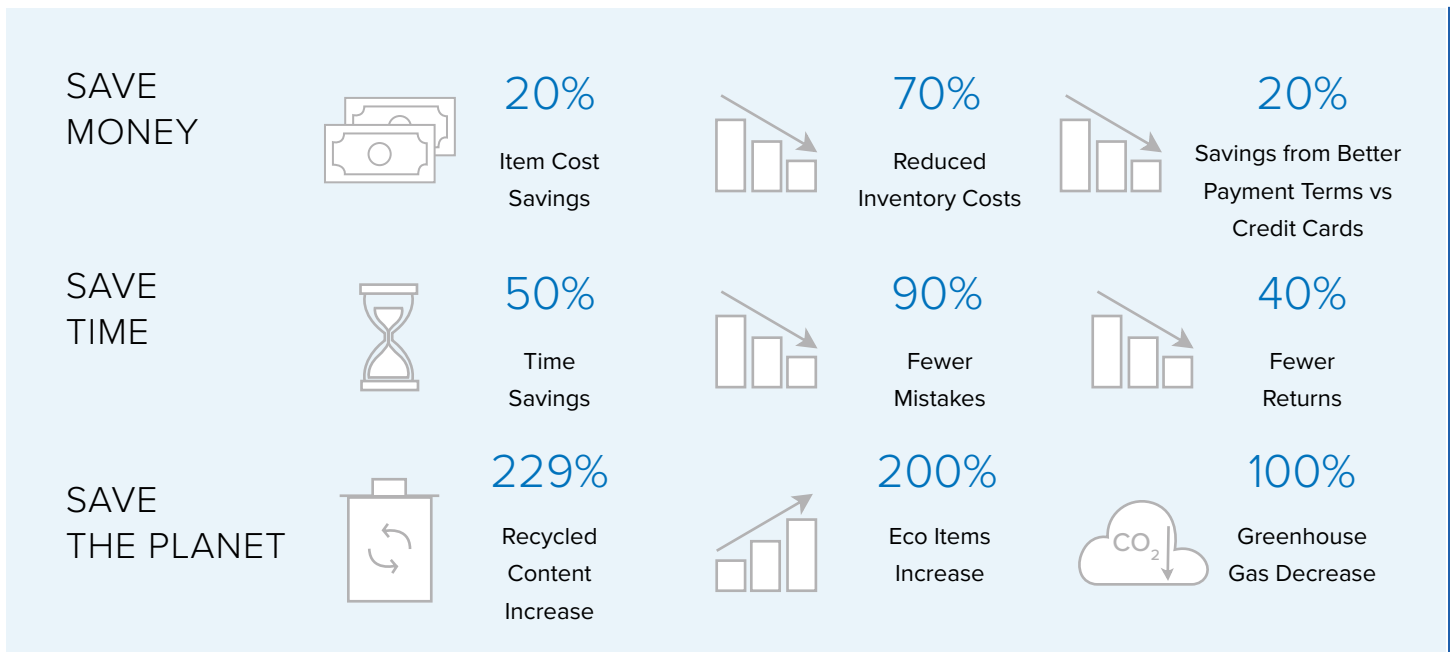
At Raw Office, we are looking out for both your business, and the planet. With these dashboard tiles, you'll immediately see the positive impact your purchase can make.



Conclusion

This process can be easily repeated with any company, large or small, with anticipated savings of 15% - 20% annual spend.

WE TAKE CARE OF YOUR PROCUREMENT, SO YOU CAN FOCUS ON SCALING YOUR BUSINESS



As clients move away from vendors such as Staples and Amazon, they quickly learn that those vendors prioritize supplier relationships over customer savings and tend to push clients towards products that have the greatest mark-up for them.

RAW OFFICE PROCUREMENT PLATFORM IS QUICKLY AND EASILY ADAPTABLE TO CLIENT REQUIREMENTS.

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