



WHY THE LOCAL BRANCH CONTINUES TO BE A CORNERSTONE OF INDUSTRIAL SUPPLY

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HAYLEY DEXIS

Analyse any large, successful MRO supply business model today, and you'll probably see a sophisticated e-commerce system to process online orders; we have that, too.

At first glance, it's almost as lean as the manufacturing process on the shop floor. But look a little deeper, as we did, and you'll find customers, across the industry sectors we serve (including food & beverages, utilities, aggregates, and more), that still have an unchanged need for local technical support and stock – a service that humans still do better in many cases than computers.

That's why we continue to invest in branches local to our customers, by expanding and improving current branches, and opening new ones.

EMOTIONAL INTELLIGENCE AND TECHNICAL SUPPORT IN MANUFACTURING

Whether you call it something fancy, like emotional intelligence (EQ) or old-fashioned good customer service, our customers want to talk to someone locally who can solve their problems very efficiently based on their expertise (tacit knowledge) and quickly access the products they need. That kind of support is difficult to replicate electronically, no matter how sophisticated online systems and marketing get with user experience.

And the stakes for manufacturing and its customers have never been higher. Time is not only money for our customers – they often operate in a super competitive environment with quantity-driven margins with downtime an operational nightmare. That's why at HAYLEY DEXIS, in addition to providing online and phone support, we're opening branches while others are moving towards more centralised models.

And based on the latest report from Lloyds, "... manufacturing supported £348 billion¹ of GDP (15% of the UK economy) and 5 million jobs (14% of the UK total) in 2022." It's a vital industry to support, and we're watching closely to see how we can do that best.

OPPORTUNITY AND CHALLENGES

One of the biggest challenges is the complexity of e-commerce for manufacturers: we know that for it to come close to replacing a branch, the experience would have to be better than hearing or seeing a friendly face who knows who you are, your business, and have a deep level of knowledge, stock, and help when the customer doesn't know what they need. I think we can all agree that a chatbot doesn't fulfill that. In the US, for instance, there is a prediction that manufacturing e-commerce will rocket from zero to 60% in the next few years, but that also means that the industry, as of today, isn't quite ready to switch off on humans.

The other challenge is the ongoing price increases faced by manufacturers that have yet to be proportionately passed on. This causes cost-cutting exercises like branch closures, which are understandable and necessary in many cases but harmful to local manufacturing needs. So we're bucking the trend and investing more in branches.



OPENING BRANCHES AT HAYLEY DEXIS

There are four key reasons why we continue to open more branches:

1. Keeping local stock is paramount for emergencies

We understand that having local stock helps our customers get their operations back up and running quickly. Did you know that 85% of emergency breakdowns are fulfilled by stock held close to the customer at HAYLEY DEXIS? Whether it's a v-belt, bearing, or 20 litres of hydraulic oil, being able to visit a physical location stocked with the components you require at short notice provides the levels of response required in emergency situations.

Providing that around-the-clock critical stock locally is crucial. Our staff often open a branch for emergency breakdowns at a late hour, saving the customer thousands or tens of thousands in costly downtime. You cannot do that when all the staff are in a central location.

2. Self-service online portals are limited

Our team is made up of time-served industry professionals who provide technical know-how locally, and it makes a real difference. Without this level of comprehension and 'boots on the ground' approach, it is difficult to understand a customer's challenges beyond a transactional product requirement or discussing like-for-like part numbers.

We acknowledge that e-commerce has a role to play in MRO supply moving forward, but it is only a single part of the solution, not a replacement for the tried and tested model that we continue to invest in.

3. Technical services are best delivered locally

Various in-house engineering services and specialist product category operations, such as pumps and fluid power, support our branch network. We are positioned to support whether this is a custom hose assembly directly from a branch or a pump technical expert less than an hour from a customer's operations.

Our onsite service provision is certainly something we see as a growth area for us. We have these great facilities and the capacity to undertake these services. We plan to maximise these for the customer's benefit moving forward.



4. The need for physical location beyond a stockholding function

Branches do not only store products on shelves. On many occasions, they act as a platform for training, meetings, and supplier collaboration. Something challenging to achieve without a physical location. Visiting a branch is very much encouraged, and we welcome customers, suppliers, and other stakeholders to our locations every day.

Many customers simply cannot host meetings of this kind. This is where we step in, especially when collaborating with strategic supply partners on more technical challenges.

At HAYLEY DEXIS, our branches are a fundamental cornerstone of providing a complete MRO solution, and will continue to be well into the future.

At all times, this complete MRO solution is guided by the daily challenges that our customers face, adapting to their needs.

Opening branches is part of our technical personnel approach—connecting our experts with our customers locally to solve their challenges quickly.

SUMMARY

HAYLEY DEXIS sees investment within modern centralised warehousing and e-commerce as part of its future strategy to remain lean and effective in a competitive landscape. However, this is not the detriment of what has been fundamental to the business' success over the past four decades – holding critical stock locally, providing face-to-face interaction to support service, and recruiting the best people in the industry.

There is no reason customers can't demand all of these – and that is why HAYLEY DEXIS remains a partner of choice for thousands of maintenance, engineering, and procurement specialists.

CONTACT US!

Speak to your local branch today!

You can find their details by using our online Branch Finder tool:

www.hayley-group.co.uk/branch-finder

Sources:

1. <https://www.lloydsbank.com/business/resource-centre/insight/true-impact-manufacturing.html>

2. <https://www.pwc.com/us/en/industries/industrial-products/library/manufacturing-e-commerce.html>