



Leveraging its relationship with FedEx Kinko's Office and Print Services, Reynolds and Reynolds, a major provider of automotive retail services, realizes significant increase in net-new business and expands its service offerings.

Corporate profile

Reynolds and Reynolds (Reynolds) is the leading provider of integrated document solutions that help automotive retailers grow, manage change, and improve their profitability. Its goal is to deliver the tools and training car companies and retailers need to create a positive purchase experience for the consumer, enabling Reynolds to build closer customer relationships and ultimately improve profits.

Today, Reynolds is a billion-dollar company with over 70 years of experience in the automotive retailing industry and operations in 20 countries. With a presence in over 90 percent of North America's automotive retailers, nearly half of all cars sold in North America are sold through Reynolds' systems.

Using this broad market knowledge, it has created a comprehensive portfolio of innovative, customer-driven products and services available to the worldwide automotive retailing marketplace.

Key business issues and challenges

The sales distribution, servicing and after-market opportunity in the motor vehicle industry is considerable — representing 1.7 trillion dollars of economic activity in North America alone. As part of its product and service offerings, Reynolds' Integrated Document Solutions (IDS) division works directly with more than 18,500 dealerships across the nation on their document needs.

Recognizing the significant opportunity to address the other document needs of these customers, Reynolds was interested in expanding its product offering on a national scale by providing its customers with document services and the sourcing and distribution of paper and electronic documents to further penetrate these accounts and increase business opportunities.

Reynolds' customers are always looking for ways to lower the cost of distribution. They want to free up capital and inventory and improve customer service, while enhancing efficiency and profitability. Technologies such as the Internet, broadband data transmission, wireless and handheld digital devices are creating entirely new ways to share information and conduct business in the automotive retailing marketplace.

With the ultimate goal of increasing revenues, the company began by looking to key vendors and partners to expand its service and product offerings and create net-new business opportunities.

Solution

After several months of review and investigation into solution options, Reynolds entered into a national alliance with FedEx Kinko's. Through the alliance, FedEx Kinko's serves as a preferred business service provider to Reynolds. As such, approximately 230 FedEx Kinko's territory representatives work closely with Reynolds' 131 Integrated Document Solutions Consultants (IDSC), to provide service to more than 90 percent of U.S. automotive dealerships. It is such a strong partnership in fact, that FedEx Kinko's account managers and branch managers often accompany IDSCs on sales calls.

By aligning with FedEx Kinko's in this way, Reynolds was able expand its IDS services beyond basic forms to include short-run documents, signs and banners, posters and other document production needs. The partnership with FedEx Kinko's enables Reynolds IDS to significantly add to its product line, gaining access to dealerships and increasing topline revenue. For instance, FedEx Kinko's helped Reynolds add document services targeted specifically to the sales and advertising and front office functions — areas within dealerships that Reynolds had not met its penetration goals.

Beyond the advantages of working with one provider for a wide variety of document services, Reynolds' customers benefit from a highly competitive pricing structure. A maximum price list was established at the outset of the partnership, whereby a specific service will never go above a certain cost. Nationally, Reynolds' customers are able to benefit from lower prices based on Reynolds ability to leverage spend across its customers. Pricing is set by the partnership between the local FedEx Kinko's branch and the Reynolds IDSC and is based on local market conditions. The result is that pricing is flexible and competitive in all markets and not bound by a national price list.

The partnership is based solely on a contractual basis. There was no capital investment on Reynolds' part.

Results

- **Increase in revenue growth and true product line expansion** — In an economic environment where companies in all sectors are showing losses, 64 percent of Reynolds' IDS net-new revenue is currently a direct result of the new product and service offerings. With no capital investment, revenues in this business group are projected to nearly triple in 2003 compared to the previous year. This translated into immediate revenue gains for Reynolds.
- **Access to nationwide footprint** — Reynolds' IDS works with 18,500 dealerships nationwide. With access to more than 1,200 digitally connected FedEx Kinko's locations across the U.S., Reynolds' is able to offer a consistent solution to customers from Maine to California, a critical aspect of its success.
- **Maximum price list** — A pre-established maximum cost for services allows for regional and customer-specific pricing flexibility. The ISDCs are able to partner with their dedicated FedEx Kinko's representative to negotiate a lower pricing structure based on the parameters and the customer's location.

Concluding thoughts or future plans

The relationship with Reynolds showcases FedEx Kinko's ability to meet the needs of organizations with diverse document needs. By teaming with FedEx Kinko's, Reynolds has successfully expanded its document services and product offerings to its customers. As for the future, true to its business mission, Reynolds is looking to continue expanding its products and services by collaborating with FedEx Kinko's on a customized calendar program. This forward thinking move will create a cost-effective way for dealerships to personalize calendars with logos and pertinent local contact information.

"We are truly excited about our partnership with FedEx Kinko's. Our customers are receiving an enhanced array of products and services. Now, we are able to leverage the competitive pricing of FedEx Kinko's services to our customers and dramatically increase our revenues."

- Scott Collins, Vice President of Sales for Reynolds and Reynolds