



BIZ
BOX

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Office DEPOT

One-stop Small Business Shop

Office Depot enhances customer experience with new business services

by CRAIG GUILLOT

Unlike in apparel or consumer electronics, it can be challenging to engage shoppers and build excitement in the retail world of office supplies. Small business owners might need pens, paper and toner cartridges, but most visits to an office supply store are emotionless, uninspiring activities.

Since its merger with Office Max in 2013, Office Depot has been transforming from a simple provider of office products into a broader product and service platform. Last year, the retailer acquired CompuCom Systems, a move that will enable it to onboard more

than 6,000 certified technicians and offer IT support services to small and medium-sized businesses.

Office Depot currently has access to nearly 6 million small business customers within three miles of its 1,400 stores and is putting CompuCom's Tech-Zone installations in its stores to drive foot traffic and improve per-store profitability.

Office Depot CEO Gerry Smith said last year that the acquisition was an important step in a long-term journey to transform the company from a simple seller of office products to a provider of business products and services. He said

the transformation would leverage stores, online presence and the sales force to create an "omnichannel platform that offers services, products and solutions focused on businesses of all sizes."

Around the same time, the retailer announced the creation of BizBox, a platform designed to give startups and small business leaders access to all the core services they need to start and grow their businesses. BizBox offers ad hoc and subscription services that include everything from logo and web design to digital marketing and accounting services.

"It's everything you need to run your

business, in a box,” says Kevin Moffitt, chief digital officer at Office Depot. “Part of this is really about building connection points between those folks and to be able to provide services they need to become more successful.”

IN-STORE CONNECTIONS

Office Depot opened its first bricks-and-mortar BizBox location in Austin, Texas, in late January and has since seen strong interest. Customers can also visit the website or contact a Biz Pro by phone for free consultations.

BizBox tools and services are designed to work on customers’ phones, putting everything from a sales rep dashboard to financial reports and asset management right at their fingertips. “It helps us to expand out to being more than a traditional retailer of commodity products to being more of a business service platform that we can grow over time,” Moffitt says.

BizBox certainly puts Office Depot in a position to capitalize on new opportunities. In a survey of 1,500 small business and startup owners, while many said digital services such as social marketing and website creation were critical to growing a business, Office Depot found most were not using these services. More than a third of survey respondents said they did not have a website, and more than half did not have any kind of social media marketing at all.

“Many small business owners feel pulled in a million directions, and often don’t know where to turn for support for all their needs,” Moffitt says.

BizBox offers an ideal platform to reach consumers when they’re in the store. While more businesses are turning to the web for office supplies, bricks-and-mortar sales still account for 89 percent of total sales in the sector, according to a report by NPD Group. Two-thirds of small business and home office consumers purchase supplies at least once a month



or more. Among these purchases, roughly half shopped exclusively at bricks-and-mortar retailers while 26 percent shopped exclusively online.

Leen Nsouli, office supplies industry analyst at the NPD Group, says office supply retailers and manufacturers are continuously innovating to improve and personalize the in-store experience to attain a competitive advantage. It also gives a more compelling reason to visit the store and provides an opportunity to better engage shoppers while they’re in the store.

“Our challenge is, how to we make customer interactions about something deeper than just coming in and picking up paper because you need it right away? I think there’s a real opportunity,” Moffitt says.

Based on the concept of having everything one needs to start, grow and run a small business in one place, BizBox is supported by centralized, functional experts in many areas of the business, from marketing and accounting to payroll and financial. It’s designed to enable users to focus on their skills and talents while letting Office Depot handle the rest.

Offering a convenient place for everything from supplies and equipment to small business services is especially compelling at a time when more people are starting one-person businesses, working from home and in non-traditional jobs. Last year, a Gallup

survey of more than 15,000 adults found that 43 percent of employed Americans spent at least some time working remotely.

USING LOCAL EXPERTISE

Office Depot chose Austin as the first market because the city is home to the company’s inside sales organization, and because it is one of the top places in the country for small business, innovation and technology. Office Depot tapped into local expertise in all areas to quickly put together an end-to-end business platform in less than six months from

ideation to launching the site and holding a grand opening of the physical concept in downtown Austin.

“We wanted to act with a group of experienced professionals, and then we learned from them,” Moffitt says. “The idea is that then, they become more of a centralized organization that can help train and develop resources across the rest of the country.”

The Austin flagship store will serve as the hub with BizBox locations opening at the remaining Austin stores in the coming year. All the stores will be refurbished, and updates focus more on business services as well as the full product selection including office products. From there, Office Depot will take a market-based approach toward nationwide deployment, Moffitt says.

The retailer has a couple of candidate cities for upcoming rollouts but has not yet made those locations public.

“We’re really passionate about the program,” Moffitt says. “We see it as a big part of our evolution into being more competitive in the future. People are changing, their shopping patterns are changing and what they expect from a retailer is changing.” **STORES**

Craig Guillot is based in New Orleans and writes about retail, real estate, business and personal finance. Read more of his work at www.craigdguillot.com.