

# OfficeSource™

Office Furniture Wholesale Distributor

## OFFICESOURCE COMPANY BACKGROUNDER

<b>Year Founded</b>	2004						
<b>Ownership</b>	Privately held						
<b>Employees</b>	300						
<b>Headquarters</b>	10901 W. 120 <sup>th</sup> Avenue Suite 120 Broomfield, CO 80021 (303) 404-9260 Fax: (303) 404-9258						
<b>Regional Offices</b>	<table><tr><td><b>Eastern Region:</b> Uniontown, PA</td><td><b>Southeastern Region:</b> Nashville, TN</td></tr><tr><td><b>Midwestern Region:</b> Kansas City, MO</td><td><b>Northwestern Region:</b> Seattle, WA</td></tr><tr><td><b>Western Region:</b> Sacramento, CA</td><td></td></tr></table>	<b>Eastern Region:</b> Uniontown, PA	<b>Southeastern Region:</b> Nashville, TN	<b>Midwestern Region:</b> Kansas City, MO	<b>Northwestern Region:</b> Seattle, WA	<b>Western Region:</b> Sacramento, CA	
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	<b>Distribution centers – 17</b> (Chicago, St. Louis, Sacramento, Los Angeles, Uniontown, Houston, Dallas, Denver, Kansas City, Albuquerque, San Francisco, Nashville, Charlotte, Birmingham, Orlando, Seattle, Portland)						
<b>Web</b>	<a href="http://www.officesource.net">www.officesource.net</a>						
<b>Overview</b>	<p>OfficeSource was founded in May 2004 to become the first national wholesaler focused exclusively on commercial office furniture.</p> <p>Through five acquisitions to date, including: Kansas City-based Mid-Continent Office Distributors; Sacramento-based Equipment Distributors; Uniontown, Penn.-based COE Distributing; Nashville-based NDI Wholesale; and, most recently, Seattle-based H&amp;W Distributors, OfficeSource is now the largest wholesaler of exclusively commercial office furniture in the country.</p>						

OfficeSource's growth strategy is based on making key acquisitions of leading office furniture wholesalers and implementing best practices across the organization to grow organically. The company is committed to strengthening localized service and long-time relationships, along with improving supply chain efficiencies, by maintaining customer-centric functions at established regional offices.

### **Market Info**

The office furniture marketplace is approximately a \$13 billion-a-year industry. The overall health of the industry is tied primarily to white-collar employment, office space vacancy rates, and, the availability of used furniture.

The following is an overview of the office furniture industry and its three primary segments:

- Contract furniture – Includes high-end furniture that requires design and space planning support. Customers are typically large corporations.
- Mid-market commercial furniture – Includes furniture that requires little design and space planning support. Customers are typically small, medium and large businesses.
- Budget furniture – Low-end furniture that requires no design or space planning support. Customers are typically individual consumers buying for home office needs.

### **OfficeSource's Value Propositions**

- Provide quick delivery of office furniture products in support of office furniture dealers in one to three days.
- Provide fulfillment service for smaller furniture dealers that act only as sales and marketing companies and that work out of a small office with no warehouse space.
- Provide fill-in and backup products to large contract stationers and superstores that do not have enough warehouse space to inventory efficiently the breadth and depth of products needed to create an effective furniture sales and marketing program.

Significance of OfficeSource to the manufacturer:

- Provide a mechanism to get products to customers quicker and more efficiently.
- Provide inventory and warehouse support to office furniture manufacturers that do not have adequate square footage to do so.
- Provide market segmentation programs to manufacturers by acting as their “wholesaler.” As an example, many manufacturers do not want to set up and service hundreds of small dealers when one customer/wholesaler could provide the service.

## **Management**

### **Todd Elmers – President & CEO**

As Senior Vice President of Merchandising and Furniture at Corporate Express, Todd has 23 years in the office furniture business. At Corporate Express, he helped build the office furniture business from \$50 million in annual sales to more than \$450 million in just over seven years. Todd has relationships with a majority of potential acquisition targets and with all the furniture manufacturers. He has extensive experience in the acquisition and integration of office furniture companies.

### **Richard L. Millett, Jr. – Executive Vice President & CFO**

As Vice President of Acquisitions and Corporate Development, Richard led Corporate Express’ fast-paced acquisition efforts (including several office furniture companies). He helped the company grow through more than 150 acquisitions, taking it from \$300 million in annual sales to \$4.5 billion in less than five years. As an attorney and former CPA, Richard brings a unique ability to implement OfficeSource’s acquisition and financing strategy. Most recently, Richard served as CFO of Alpine Access, a Denver-based customer service company.