

SEEM C



SEEMAC Is Called a Lot of Things... **Broker** Wholesaler Middle Man **Logistics Company** Distributor...

... and maybe a few other things we shouldn't repeat in polite company. But, none of these terms are truly descriptive of all we do.

- This is What SEEMAC is -

SEEMAC is a wood products sales and inventory management company providing innovative supply solutions to medium- and large-sized industrial customers.

We have strong relationships and extensive knowledge of manufacturing processes and the capabilities of both our suppliers and customers.

Our skill set enables us to provide extremely cost-effective product and service solutions on both sides of the supply chain.



- SEEMAC -How We Make This Model Work

In order for this business model to work — in order to have our suppliers and customers outsource services to us:

We must commit more resources (more time, effort and people) to a customer or inventory management program than our suppliers or customers can commit themselves.

We must be wood industry product and process experts who solve problems and provide solutions to both suppliers and customers.

We must have a cost structure and margin requirement that is low enough to encourage suppliers and customers to outsource these services to us.



SEEMAC –VS– Distributor Model

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Distributor

customers from one location

Sales Wood industry and wood products Industry and product generalists due to People experts; problem solvers and solution breadth of products offered - wood and providers; extensive knowledge of non-wood products. customer's processes and mill's capabilities. Specific supplier's products engineered Products Generic products designed to fit for a specific customer's processes to generic end uses - non-differentiated Offered provide optimum solutions for each products for many customers. customer. Medium- to large customers. Customer Small- to medium-sized customers. Size "Virtual" inventory stored on Owned and/or leased warehouses, Locations consignment at customer's facilities or forklifts and trucks with warehouse in public warehouses close to and truck driver employees, typically customer's plants. No owned or leased in major metropolitan areas. Inventory warehouses, forklifts or trucks - no in warehouses services many small



Inventory

brick and mortar keeps costs down. Inventory stored in warehouse typically to serve one particular customer.

... continued

SEEMAC –VS– Distributor Model

SEEMAC

Financial Investment in people, payables, receivables **Investment** and inventory; no facilities, property or equipment equals low fixed costs. No warehouse or truck driver employees.

Business Model Sales and inventory management costs, and resulting margins required, are as low or lower than supplier and customer costs. Distributor

Investment in people (PLUS warehouse, forklift, and truck driver employees), payables, receivables, inventory, PLUS many fixed assets (warehouses, forklifts, trucks, etc.).

Because customers are small, they pay a higher margin for this service model since they cannot buy full truckloads. But, more people (warehouse, forklift and truck driver employees) and more fixed assets (warehouses, forklifts, trucks, etc.) = a higher margin required for all customers, regardless of size.

Solutions Versus Products

SEEMAC provides solutions, including
products, services, and inventory
management — matching specific supplier
capabilities to specific customer needs.

Flexibility

SEEMAC is able to move in and out of inventory locations and maintain appropriate inventory levels at very low cost to our customers. We have no fixed asset costs, so we are more flexible, more accommodating, and less costly than distributors. Supplies generic products only with a "one size fits all" philosophy.

Because they often own warehouses, distributors can't move in and out of locations easily. This makes their costs higher and their flexibility lower.





-SEEMAC-

So Much More than Simply a Distributor

For suppliers and customers alike – we bring extensive product and industry knowledge, experience and innovative solutions to the table. We do it at a lower cost with significantly higher profit margins for you. That's our bottom line – and that's a promise you can trust.





