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November 14, 2010 8:00 PM

StageTwoStrategies: Maxi Container

By Shawn Wright

Location: Detroit**Description:** Distributes 55-gallon drums and bulk containers to manufacturers.**President, CEO:** Richard Rubin**Founded:** 1980**Employees:** 18**Revenue:** \$3.4 million in 2009, with \$4.5 million in 2010**Problem to be solved:** With the bulk of **Maxi Container's** customers in the auto industry and delivery of the company's products available only in a limited area in Michigan, the company needed to diversify its customer base and branch out.

"As the automotive footprint here in Southeastern Michigan contracted, we had to look to expand to make up that business," said Richard Rubin, president and CEO. "And so we had to expand geographically into new industries and update our products."

For years, Maxi Container's mission was that it would distribute its containers just in metro Detroit, Rubin said. But as Rubin saw the automotive world shrinking, he started holding meetings with suppliers, vendors and contractors to see how Maxi Container could expand.

"The recession just made us move even faster," he said.

Solution: Rubin knew that he couldn't expand his delivery area or customer base if he didn't first have an ability to reach out to customers with an updated website.

Up until 2009, Maxi Container had been attracting new customers by advertising online through New York-based **ThomasNet**, which helps customers connect with industry manufacturers, distributors and service providers.

But once customers went to Maxi Container's website, it held very little product information.

ThomasNet helped Maxi Container devise a Web strategy that not only improved the experience for Web visitors coming through www.thomasnet.com, but also attracted new customers and promoted Maxi Container's new product lines.

"It's been successful beyond our wildest dreams," Rubin said. "We set all kinds of records last year, in terms of sales."

Since launching the strategy, Maxi Container's sales went up 37 percent over the same period last year. The company also set four successive months of sales records that it attributes to the new online catalog.

Risks and considerations: One of the biggest risks Rubin said he had to face was that it would cost a lot of money for something he wasn't sure was going to work.

"It was not inexpensive," he said. "And it was a fundamental change in our world view."

Expert opinion: Dave Haviland, principal at Ann Arbor-based **Phimation Strategy Group**, said a company's website used to be ancillary. Now it is a company's business.

"Ten years ago, it used to be that your website accounted for 10 percent of your business," Haviland said. "Now it's 80 percent."

He said it's important for a company to first know who its target market is, the value the company can offer, and how it differs from its competitors.

"Once you have that in place, then you can decide how we should best connect to the market," Haviland said. "Once we know what we want to communicate, then we ask how we we're going to communicate it."

"I think an interesting thing in Web space is that you used to have a website and people would come to you. But now it's about people are out there and you have to find them."