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# SUPPLY

PRO-ACTIVE | BY ZACH PHILLIPS

## INSTANT E-COMMERCE

The way Bill Walzak sees it, music retailers are missing a boatload of sales — sales that don't require inventory or staff. Three years ago, he launched Pro-Active to change that.

The Arlington Heights, Ill.-based company offers Web solutions designed to give dealers everything they need to get started with e-commerce, just short of calling to sign up.

"Our motto at the company is, 'If your mom can't operate this Web site, it needs to be redesigned to make it even easier,'" Walzak said. "It has to be. A dealer does not have time to become a master of the Internet."

Dealers have taken notice. Since Pro-Active's debut, the company has nabbed a "Best In Show" honor at the 2008 winter NAMM convention, brought on hundreds of new retail users and gotten recognition from The Alliance of Independent Music Merchants. At this past January's NAMM conference, Pro-Active also launched Showcase, a more inexpensive, simpler Web solution for the most techno-phobic dealers.

"I'm all about giving retailers an overwhelming number of tools to help them to pro-



Bill Walzak (left) and David Hall

Pro-Active creates music retail Web sites that 'even your mother can operate'

mote their businesses effectively," Walzak said.

### 250,000-PLUS SKUS

In a way, Walzak has approached his business backwards. His first Web and

technology products were designed for distributors, not dealers. This created the platform and the means for future product launches.

"Anybody can build you a Web site," said David Hall, Pro-Active's national sales manager. "We stand out above the crowd because of our relationships with distributors."

Those relationships mean a dealer signed up with Pro-Active can get a Web site pre-loaded with hundreds of thousands of SKUs. Pro-Active offers feeds from six major industry wholesalers, including Hanser Music Group, M &

M Merchandisers, Dumont Music, Advantage Wholesale, Music One Select and Karaoke Solutions. (Dealers are simply required to be approved by those distributors to sell their feeds online.) And when customers make a purchase, the items can either be sent to the store for pick-up, drop-shipped from the distributor or shipped from the dealer's own stock.

Distributor product updates and price changes also get automatically updated on the music retailer's Web site throughout the day.

Walzak explained: "Imagine if somebody walked up to you and said, 'I'll give you \$5 million worth of inventory. I won't charge you for anything until you sell it. You don't even have to touch it, and I'll give you one of the most powerful tools out there to help you sell it.' What would you say?"

### ONLINE MARKETING DEPARTMENT

Pro-Active offers two levels of dealer Web sites: Super Store and Showcase.

Super Store, which costs \$199 a month, is the company's flagship solution. And Walzak said he believes its built-in marketing tools are worth the price of admission alone.

"We're a sales and market-

ing-driven company,” he said. “The difference, besides offering these great product feeds, is that we provide the sales and marketing tools to help the dealer — to help their Web business and their brick-and-mortar business. So it’s bricks and clicks all the way through, each helping the other.”

Super Store lets dealers create cata-

logs, fliers, newsletters and e-mail blasts by going to their site’s back-end and checking off which items to include. Dealers can also create special fliers when vendors offer sales. And all products and prices can be edited easily.

“When Hanser or any of the vendors put something on sale, it automatically goes into an e-mail template with

the dealer’s name, logo, address — everything,” Walzak said. “The dealer can choose to take products out, or he can add other items, push a button and send it out as an e-mail to all of his customers.”

Dealers can also add products not included in these distributors’ feeds. Prices can be changed, and gross margins can be set by brand, category or individual item. Additionally, Super Store offers eBay uploads, an online instrument rental module, a language translator, a currency converter, and the means to offer contests and drawings.

**THE 99-CENT WEB SITE**

Showcase is a more limited solution but costs \$29.99 a month — or less than 99 cents a day, as Walzak put it. That buys a retailer 10 Web pages to publicize services, store location and staff bios. It also gives dealers one product feed from their choice of distributor. Dealers can opt to get additional distribution feeds for another \$29.99 a month.

“It’s as many as 250,000 SKUs,” Walzak said.

Showcase doesn’t include marketing tools or let dealers add products that aren’t included in a distributor’s feed. Still, it gives users a tweakable Web site, where colors can be changed and text is easily modified.

“It is a closed system by design,” Hall said. “Maybe a dealer has never sold on the Internet before, and they want to get their feet wet.”

And as with Super Store, a Showcase Web site can double as an in-store kiosk. “Your customer will look at you in a different way,” Walzak said. “They’re saying, ‘This store’s a lot bigger than I thought it was. It has a lot more products to offer.’”

Pro-Active’s Web solutions also give dealers one last feature: brutal honesty about inventory.

“The one I always hear is, ‘Gee, I sold a pink guitar. Look, I just sold *another* pink guitar. Who would’ve thought? Maybe I need to stock pink guitars in-store,’” Walzak said. “There’s so much information that a sharp dealer who’s paying attention can benefit from when using a turnkey solution like this.” **MI**

## Is this what your cash flow feels like?

Everyone knows the feeling. You invest in product for back to school or for the holiday season and then hope to see a revenue stream before all the bills pile up. It’s a vicious cycle.



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