

# Handleman Company

*Bringing Music to the Ears of Millions...*

MSU Marketing Club

September 26, 2006



# Welcome!

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- Company Background
- Core Competencies
- Career Opportunities
- Resume Tips
- Interview Tips
- Get Involved!



# Handleman Company

- Largest distributor of music in the world
  - Handleman sells
    - 10% of US music
    - 25% of Canadian music
    - 8% of UK music
- Sales in retail stores optimized through category management of titles
- \$1.3 billion in sales in Fiscal Year 2006
- Internationally successful in the United States, UK and Canada
- Major customer of Sony/BMG, Warner Music, EMI and Universal Music



# Locations

- Corporate Headquarters
  - Troy, MI
- Automated Distribution Centers
  - Indianapolis, IN
  - Richmond, VA
- Customer Team Offices
  - Best Buy Customer Team  
Minneapolis, MN
  - Circuit City Customer Team  
Richmond, VA
  - Wal-Mart Customer Team  
Bentonville, AR
- Business Unit Offices
  - Crave Headquarters  
Newport Beach, CA
  - REPS Headquarters  
Murfreesboro, TN
- International Operations
  - Handleman Canada, Ltd  
Toronto, ON
  - Handleman UK, Ltd  
Warrington, UK
  - Handleman UK Distribution  
Center – Bolton, UK

# Category Management



Artist records CD

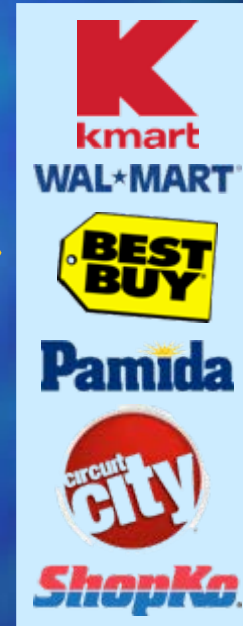


CD given to vendor to arrange sale

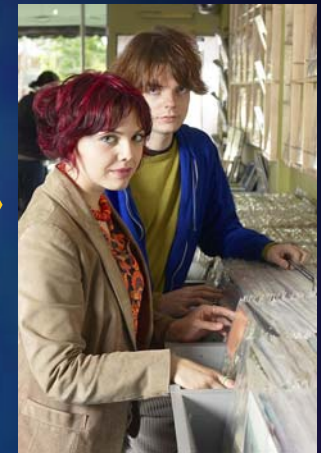


Handleman  
Company

Handleman negotiates sale from vendor, forecasts demand and coordinates promotions



CD placed in retail store by Handleman



End consumer purchases CD

# New Opportunities

- Artist to Market (A2M) division
  - Streamlines product cycle by eliminating artist/vendor relationship
  - Handleman is exclusive distributor of product
- REPS acquisition
  - Enhances merchandising competencies
  - Provides in-store service for video, PC software and consumer goods products
    - Razors, batteries, etc.
- Crave Entertainment Group acquisition
  - Diversifies product lines
  - Distributes and owns video game software, hardware, accessories and is a publisher of video game software





# Handleman's Customers





# Core Competencies

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There are three core competencies that Handleman promotes to customers

- Intellectual Services
- Logistics Services and Distribution
- In-Store Services



# Intellectual Services

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- Manage relationship with vendors
- Design regional and national promotions
- Forecast product demand through benchmarking systems
- Remain knowledgeable of industry sales and trends at all times



# Logistical Services

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- Replenish store product through shipments and returns
- Consolidate customer orders
- Manage customer shipping requests and returns
- Organize delivery of special promotions



# In-Store Services

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- Manage each department
- Execute promotions at store-level
- Develop expertise of consumer trends on a store-by-store basis
- Complete the “last 150 feet” of the supply chain and get product to the end consumer



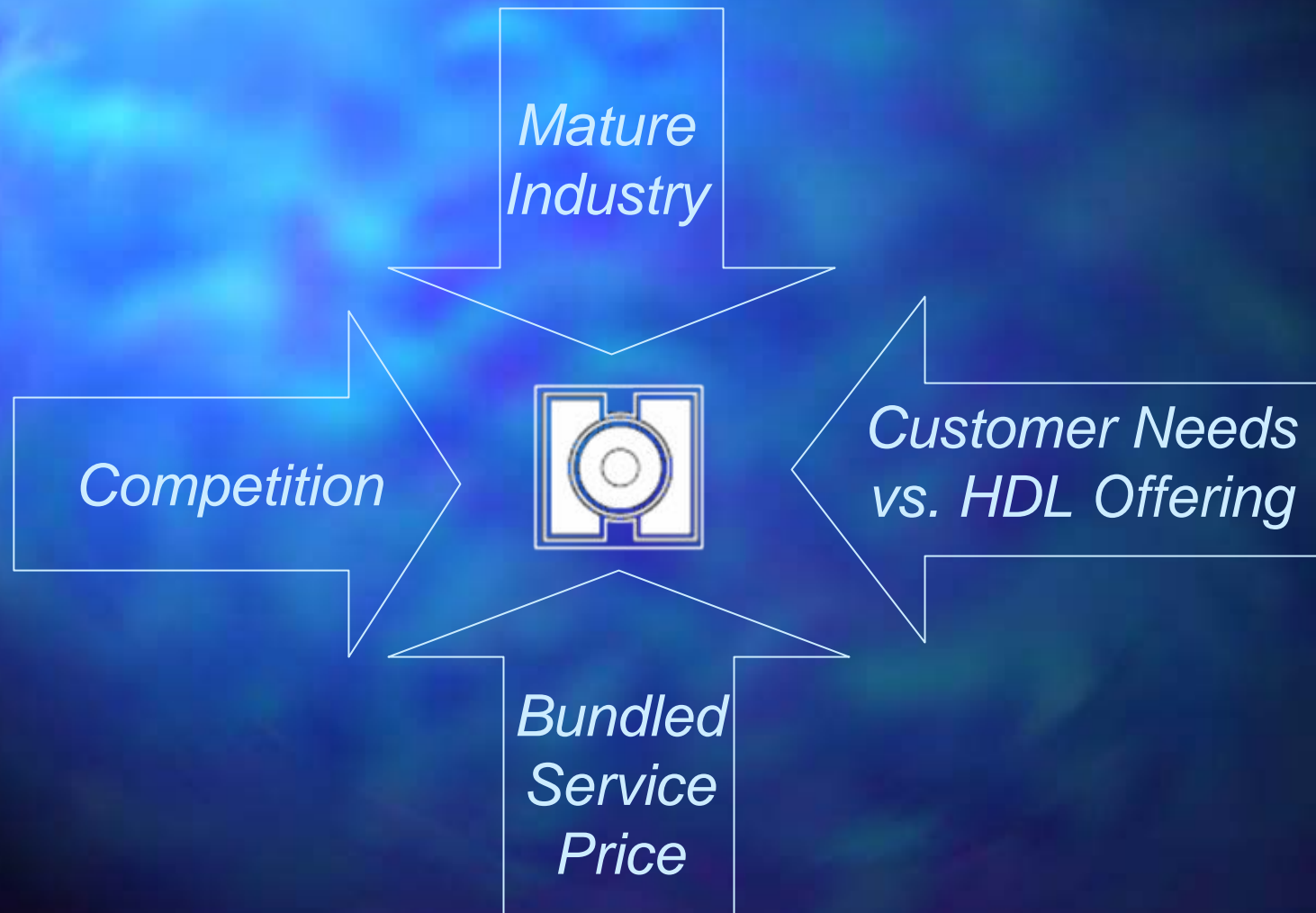
# Attracting Customers

## Traditional services marketed by Handleman





# Competitive Pressures





# Handleman's Solution

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- Maintain core customer base and service levels
- Grow customer base
  - With enhanced service offerings
    - New store orders
    - Alpha-sort
    - Deep catalog assortments
  - Through new business models
    - REPS acquisition
    - CRAVE acquisition
    - Artist to Market
- Continue to utilize existing core services



# Maintain Core Base

**WAL★MART®**





# Grow Customer Base





# Create New Business Models

Artist  
Relationships

Distribution  
Infrastructure

100% Guaranteed  
Product

Industry  
Experience



Artist to Market Distribution



**BORDERS**  
BOOKS · MUSIC · CAFE



# Create New Business Models

Field  
Service

Business  
Intelligence

Vendor  
Relationships

Consolidated  
Billing





# Career Opportunities

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## Management Associate Training Program

- Rotational program
  - Approximately 34 weeks in length
  - 18 weeks in department rotations
    - Corporate Office
    - Wal-Mart Customer Team
    - Best Buy Customer Team
  - 16 weeks in our Field Sales Organization
  - 1 week at our Automated Distribution Center
    - Indianapolis, Indiana
  - Various recruitment trips
- Begins 8-12 weeks after graduation



# Career Opportunities

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## Operations Management Training Program

- Rotational program
  - Approximately 34 weeks in length
  - 13 weeks in department rotations
    - Corporate Office
    - Wal-Mart Customer Team
  - 10 weeks in our Field Sales Organization
  - 11 weeks at our Automated Distribution Center
    - Indianapolis, Indiana
  - Various recruitment trips
- Begins 8-12 weeks after graduation



# Career Opportunities

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## Summer Internship Program

- 12-week paid internship for juniors
- Departments vary each summer
  - Marketing
  - Operations
  - Product Management and Logistics
  - Wal-Mart Customer Team



# Training Program Benefits

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- Get exposure to core departments
  - Learn the business from the bottom up
  - Gain experience in many different areas
- Have networking opportunities with management
  - Mentor – member of Senior Management
  - Sponsor – member of Middle Management
  - MA/OMT Sponsor – member of recent class
- Make an impact on purposeful projects
- Work with many people your own age



# Resume Tips

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- Keep document to one page
- Make experiences measurable
  - Example: Created initiative led to a 12% increase in sales
- Use action verbs and concise phrases
  - Organize, lead, support, manage
- Support objective with relevant (and honest) information
- Check your grammar and spelling!



# Interviewing Tips

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## Prior to the Interview

- Attend career fairs, information sessions and networking events to get as much information as possible
  - Companies track your involvement
- Review your resume and the position to prepare questions and examples



# Interviewing Tips

## During the Interview

- Be on time!
- Prepare “small talk” with the interviewer
- **RELAX** and make eye contact throughout the interview
- Be cautious of nervous habits
  - Talking quickly, rocking in chair, etc.
- Ask about the next steps and reiterate your interest in the position
- Follow-up post interview with an email or letter



# Interviewing Tips

## Questions to Ask

- Current events within the company
- Career path and advancement
- Company culture and interaction with management
- Typical projects/meetings
- Community involvement
- Anything but salary!



# Interviewing Tips

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## Interviewer Considerations

- Work experience
- Major and GPA
- Leadership experience
- Work ethic and problem solving skills
- Flexibility and mobility
- Professionalism
- Enthusiasm!



# Get Involved!

## MA/OMT Interviews

- Resume submission: October 9<sup>th</sup> – 26<sup>th</sup>
- Information Session: October 25<sup>th</sup>
  - 6:00 – 7:30pm in 116 Eppley
- First round interviews: November 6-7<sup>th</sup>
- Second round interviews: November 7-8<sup>th</sup>
- Office visit in December
- Offers in January



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Questions?