



QUALITY CONTROL

Softsel is the world's largest wholesale distributor of computer hardware and software. If you have ever used a business package or a game on a home computer from an American-based company, then it is very likely that the software was distributed through this company.

Softsel provides computer software retailers with an extremely valuable service. At a time when software packages, some of them very expensive, are being released at an ever-increasing rate, a dealer is faced with the problem of evaluating each new product personally, which is time-consuming and costly, or else trusting to a hurried evaluation, which could mean being stuck with some unsaleable and expensive packages. The service that Softsel provides is to remove this element of risk for the retailer, by performing extensive product evaluation on all the packages that the company adds to its software list.

Simon Rhodes, UK marketing manager for the company, explains the procedure: 'The package is first examined by our technical department for user-friendliness — checking whether it is well-programmed, well-documented, has good graphics, and so on. It is then passed to our

marketing and sales department who decide whether it will receive good promotion and advertising.' Softsel estimates that in a recent six month period, only 10 per cent of nearly 700 packages were accepted onto the company's catalogue.

This quality control, coupled with the added incentives of sale and return agreements and the need to deal with only one supplier, make a company like Softsel an attractive proposition for a software retailer. Undoubtedly, a retailer could buy the packages at a cheaper price direct from a manufacturer, but Softsel's ability to offer discounts through its bulk-buying power will make the difference only marginal. Simon Rhodes points out: 'Although a dealer could get a better price, in the long run it would cost more to buy direct from the manufacturers, because he would have to deal with hundreds of different people rather than just one company.'

AMERICAN ORIGINS

Softsel was founded in 1980 by Robert Leff and David Wagman, who had been co-workers in the data processing department of Transaction Technology, a subsidiary of the giant Citicorp finance house. Leff and Wagman's belief in the need for a company such as Softsel was vindicated by its rapid expansion. Four years after it was established, Softsel employs 350 staff worldwide, and the company's international turnover in the last full trading year amounted to a massive \$87 million. In the US alone, the company has four large warehouses — in Atlanta, Chicago, Los Angeles and New York — supplying a range of 4,500 packages to dealers across the country.

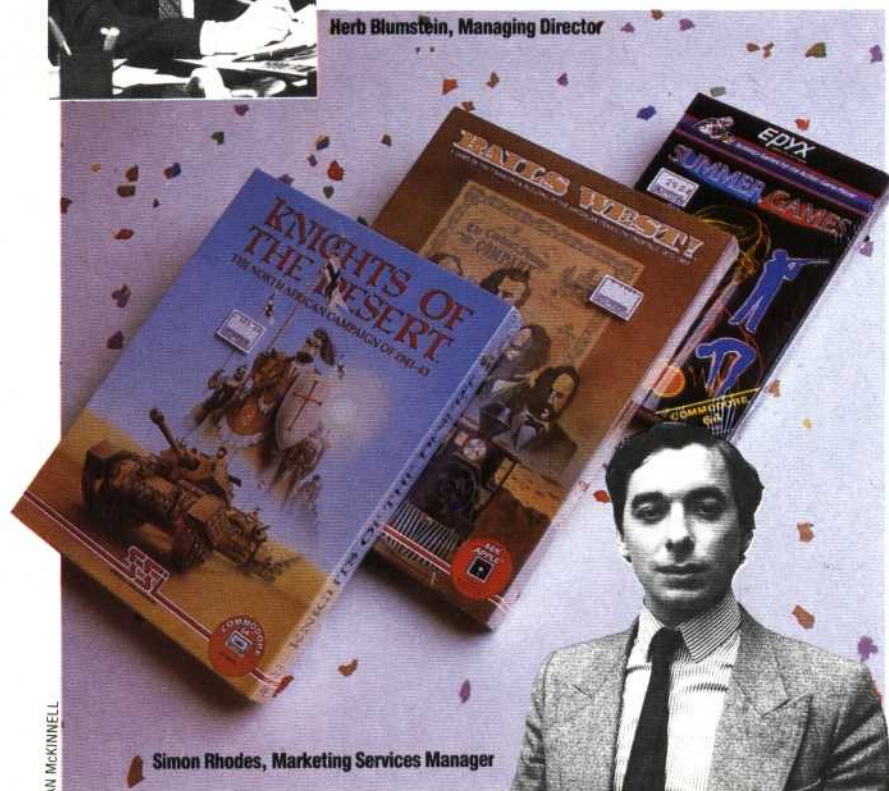
The company's penetration of the UK market began in September 1982. A subsidiary, Softsel Computer Products, was established in April of the following year. The UK branch is based in Feltham, close to Heathrow Airport, and supplies over 2,500 different products to dealers all over Europe and the Middle East.

The future of the company looks bright. The UK subsidiary plans to increase the percentage of its software catalogue devoted to business packages, which already take up more than half of the catalogue. However, the company does not expect to play down the importance of the other major area of software production — games programs.

Softsel also intends to increase its share of the European market. A subsidiary has already been established in Germany, with its main office in Munich, and there are plans for French and Italian subsidiaries to be set up in the autumn of 1984.



Herb Blumstein, Managing Director



Simon Rhodes, Marketing Services Manager