

The Thinking Salesman Letter

Wednesday, December 1, 2010

Hello Everybody,

I thought some of you might benefit from my forty years plus experience in setting up distribution networks across North America and most of Latin America.

The idea of this bi-monthly newsletter is to present BOTH sides of the coin; the pros & cons of the distribution systems, the manufacturers, the distributors and the reps. It might –at times- be controversial but that’s me and I’m not apologizing for it.

I hope you get something out of it. Your comments are not only welcomed but encouraged.

If you wish to learn more about me please visit my web site at: www.albro.com

For those who have questions or wish to have names added or removed from this mailer, please email me at al@labro.com

Note to Canadian Mfrs:

The days of a Cdn \$ at 40% below the US\$ are gone. However, very profitable US markets are still there waiting to be developed especially those markets physically right next door. It just means one has to do his/her homework i.e. pick the products where you have an unfair advantage, get your marketing together and select the distribution method best suitable for you.

Note to US Mfrs:

Although the Canadian market is roughly 10% of your own but it’s right next door, it’s

politically and financially VERY stable, the channels of distribution are very similar to your own and because of proximity, travel expenses are minimal. It’s also good first step (training) for those interested in expanding beyond their borders.

Note: For those with little or no “export” experience I recommend that you start with SW Ontario or the Vancouver/Victoria areas and because of language and cultural issues leave Quebec to those with more experience.

Distribution

A good solid distribution network is key to your success and financial future.

One of the biggest appeals to potential buyers is a company’s distribution network and market penetration

This week thoughts on relationship between mfrs & reps (I)

The manufacturers’ agent route is the most effective *-yet the most sophisticated-* channel of distribution. It allows for rapid and efficient access to new markets but it’s not made for everybody.

The “rep route” takes a burning desire to listen/understand, vs. rigid policies, and an open management philosophy vs. totemic, top down approach.

Which one is your company’s approach? And reps, are you open to changes?

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Manufacturers:

The very first thing to do is to understand the nature of the rep and make sure those who deal with reps also understand what a rep is.

A while ago, I prepared a summary of what a rep is and is not for a manufacturer. For those interested please go to:

<http://www.albro.com/newsletters/Anatomy%20of%20a%20Manufacturers%20Agent.html>

Reps

For crying out loud, when a mfr contacts you re "possible representation" please return the call.

You should also have a questionnaire to send potential mfrs. that will tell you -along with their rep agreement- how compatible they are with your own.

Editorial

I met with two recent MBA graduates and asked them how many hours during their program was devoted to the study of distribution networks/methods.

The first one answered one 4 hour lecture the other answered none. Our universities and colleges seem to think that once the products are shipped the job is done.

When I was on the MANA board I pushed for a program of lectures and conferences

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to universities given by groups of local CPMRs and sales mgrs. I tried to suggest the idea to MRERF but an "attack receptionist" refused to put me in touch with the executives saying it was up to individuals to contact the universities. Unfortunately, none of us have the prestige or connections/contacts of MRERF.

*I wish MANA, MRERF and the CPSA used the prestige and influence of their PhDs and put together a program of conferences and lectures based around these volunteers and then promote the concept to our business schools. And if they need a volunteer, I'm stepping forward. **Anybody else?***

MANA, MRERF, CPSA, where, to whom do we send our names to promote our profession?

Thought:

Some people regard private enterprise as a predatory tiger to be shot. Others look on it as a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon.

Winston Churchill

Next issue, Dec. 15, 2010,

Interesting definition of Synergy Relationship, mfrs & reps (II)
And more irrelevant questions...