

Part 2 - Select Developing a Successful Relationship with Distributors:

**How to attain high performing
distributors for your business**

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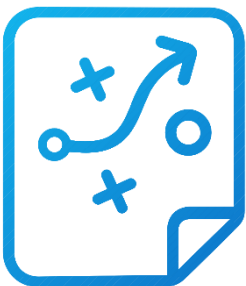
Developing a Successful Relationship with Distributors:

How to attain high performing distributors for your business

Part 2: Select

In Part One of this white paper we looked at profiling your ideal distributor. Now we will be focusing on the process involved in selecting a distributor for your business. Whenever I talk to Australian small business owners all too often I discover that they just signed up with the first distributor who approached them. They did not take their time to review a range of different distributors and then conduct a selection process.

Mapping



Mapping the distribution landscape is your first step in determining the best distributor for your business. Having identified the profile of your ideal distributor or partner, you now need to find these operators within the overseas market. One very easy method is to investigate your competitors' distributors or partners' network in the selected target country. For example, checking out the 'Where to buy' section on their website can give you lots of valuable information. Once you have checked your competitors' distribution network, I recommend that you proceed in the same way with companies that have complementary products to yours. It is usually preferable to choose companies that are aligned with your business' positioning. For example, if you manufacture high-end lawn mowers, check out the distribution network of a high-end rake manufacturer. Trade shows, particularly in Europe, are a very good source of information. Identify the largest trade show in your industry in the country you wish to target and then review the exhibitors list to identify the key distributors in the market. Generally speaking, the best way to achieve good results is to interview an opinion leader – just humbly ask for their advice. Don't hesitate to reach out; you will be surprised to discover that most people are very happy to share their knowledge when you explain to them clearly what you need to know and why. Assure them that you won't take up too much of their time; you just need a few distributors' names and, ideally, a contact name to get started.

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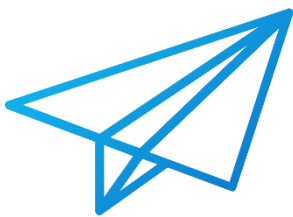
How to attain high performing distributors for your business

Selecting



Selecting is a key activity to achieving success with a distributor. All too often, small business owners come to me saying that their distributor did not perform well. And guess what, most of the time it's because they engaged the first distributor that came to them or they did not conduct a thorough selection process. Now you have established your list of distributors, rate them against the selection criteria you initially defined in your profile. Don't exclude small distributors as they are often able to develop sales much faster than a large distributor and are usually easy to work with. They may bring you your first sales. When you first start contacting them, fill in all of the relevant information on a spreadsheet to compare against your selection criteria.

First Approach



When you approach a distributor for the first time, ensure that you have your company profile and your unique selling proposition ready. You may decide to talk to or send an email to the purchasing or product manager or a technical director if appropriate. These people are very time poor so make it easy for them by sending them an email that is brief and to the point. At this stage, simply state clearly that you are planning to launch your product into the market and would welcome their feedback. You can then add a short paragraph on your positioning and attach your company profile. The other important point is to let them know that you are intending to go through a distributor selection process. Don't make the mistake of adopting a 'begging' position, even though you are a small business and they may be a huge company. It's just being professional to go through an evaluation process and the distributor is likely to view that action favourably.

By following these three steps you will ensure that you are well-prepared before you move into the engagement phase of the distribution process.