

Part 4 - Activate

Developing a Successful Relationship with Distributors:

How to attain high performing distributors for your business

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Activate your Distribution in Europe

I personally really enjoy this part of the exporting cycle as this is when you start to achieve some good sales results! In the initial stages of your exporting operation you may not need a very sophisticated distributor program. Your focus will mainly be on 'hand-holding' your distributor and showing them what you require. Remember that they have other products to sell and, naturally, their sales representatives won't be willing to focus on a product that is a hard sell. As a new item in their range, they may feel that it is harder to sell your product than their usual product range.

Training the Sales Team

This is the first key point - you will need to exert the effort to train their sales representatives. You will be able to show to them how they can obtain quick wins and where 'low hanging fruits' can be found. It means that you have to tell them which industry to focus on as well as what problem your product solves for that industry. Another area you need to be prepared to educate your distributor about is how to present your product or solution to a prospective client (i.e. what are the key elements that are going to trigger the prospect's interest).

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Finding Champions

Over the years, we have found that having champions on-board and looking after them has worked very well for our business. In the case of very large distributors, it is very hard to get the attention of everyone. There will always be a few distributors' sales representatives who will have a keen interest in your product. These are the ones you want to focus your energy on. They will be willing to push your product forward and demonstrate its benefits to their colleagues. You need to make sure your champions have everything they need in order to be in a good position to sell your product.

Giving Them the Tools

Sales tools can be as simple as making sure your distributors have access to brochures in their own language and that they know where to find technical information on your website. Case studies work very well; it is very reassuring for a client to hear who else has bought your product and is happy with it. In terms of your champions, you may also want to give them samples or kits so that they are able to demonstrate the product.

Generating Leads

This is key consideration to your success - particularly in the B2B space. A distributor or a channel partner is more likely to come on-board when they see that their client has requested the product. I know it is frustrating because in an ideal world you would want the distributor to find clients for you - after all that is why you give them a margin. However, the reality is that generating sales leads for them can get you where you want to be faster as well as ensuring your distributor gets started faster. It is also useful for you to develop a good relationship with end-users.

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Yearly Sales and Marketing Programs

If you are dealing with a large distributor, you may be able to tap into the programs that they run. The distributor will often stipulate that to be involved in their sales and marketing program you must be one of their key suppliers or offer them a strategic differentiation. Frequently, these programs are not available for free; instead, they make you pay to attend. You need to know upfront what everything is going to cost to ensure that your margin is kept under control.

A key principle you can adopt when you are starting with a distributor: you need to give them a realistic sales target. In the beginning, you should make this target easily achievable and then, over time, you will want them to stretch their efforts on your behalf. At this point, you can develop a marketing program with them, such as

a common presence at trade shows and/or a specific industry lead generation plan. You can also ask them to make a commitment on these actions. It is then up to you to give them financial incentives around specific goals, marketing campaigns and sales targets.

Down the track you can build a structured tiered distributors program whereby key distributors receive a higher margin and can obtain additional rebates according to specific key performance indicators and sales targets. These details should all be articulated around your strategic sales goals in terms of growth.

It is important to keep this program simple to implement for your distributors and easy for you to track. Be very realistic about this point!