



Your guide to selecting agents and distributors...

Many products require distribution support to reach hard to access customers, or exploit market opportunity effectively. While distributors buy products from you and you sell them to their customers, agents negotiate sales on your behalf, earning a commission as a result.

At think M we have experience of developing route to market, and establishing market partnerships. Here are a few pointers that may help you...

1. Don't be shy of asking questions. The company you are talking with may potentially be representing you in the market place. You need to ensure that they have the skills, experience and relevant knowledge to best represent your business and create sales.

2. When talking to a potential distributor or agent, consider company history in the marketplace, consistency in turnover, number of staff and trend in employment. Ask about their plans for growth.

3. Remember to cover all the basics, request banking and trade references.

4. What markets do they have strongest links to, which geographical area do they cover? What evidence do they offer, e.g. sales reports by area, lists of customer accounts and performance information? How many of their customer accounts offer potential sales for your product (in their opinion). What is the mix of trade and retail accounts?

5. It's always a good idea to test their market knowledge. Why not ask who they think your competitors are, and how your offerings differ?

6. Do they sell any competitors products? What comparable products do they support and how are they performing? What mix of product represents what percentage of sales turnover?

7. What sales resources do they have? How do they offer to commit to promoting your product? How many sales representatives do you have covering the area? How do their sales operation work e.g. do you have a telesales drive every month? What is your share of the market e.g. what share of the sales of bottled water to London restaurants do they have?

8. As with all service businesses, building personal relationships is key. Will you be able to communicate with field sales staff? Will you have a dedicated account manager and contact with their marketing manager?

9. Consider how the company promotes itself... does their positioning fit with your product brand? Look at examples of their advertising, press releases and promotions. Which exhibitions do they attend?

10. In terms of support, what payment terms do they offer their customers? What technical services are offered, and how do they deal with returns/complaints? How are sales, stock depletions reported?

11. What is their position on setting performance targets? (e.g. Sales per territory or geographic region over time?) In many cases a pilot contract can be established for 6 months for example.

12. Finally, remember to consider your offer to trade. Are you going to offer a sliding scale of increasing margin against sales performance, or volume stock order benefits? What riders are you going to offer, and finally how are you going to support your resellers in their endeavours to promote your products.

If you seek to broaden your sales channels, or launch a new product why not talk to us? Contact paul@think-m.co.uk