

## ARE YOU PLANNING TO FAIL OR SIMPLY FAILING TO PLAN?

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THE  
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Recently, I interviewed the CEO of a distribution based co-operative group. This gentleman is a longtime veteran of the distribution industry and has spent the last 20 plus years working to improve the working relationship between his member distributors and their preferred suppliers. We were talking about how to improve this relationship and where effective management of expectations plays a major role. Essentially, if the two sides want to work together for mutual benefit, the interactions need to be intentional. Unfortunately, for too many distributors, mutual prosperity is based more on chance interaction versus an intentional thought out plan. No one plans to fail, but several companies wind up falling short of their potential because they fail to plan.

Over my years in distribution, I have seen the full spectrum of planning from the random ride along to intense multi-day strategy sessions with tangible goals and predetermined events. I think you can guess which method tends to have the better outcome. Trust me, in my early years, I would describe my market planning as something akin to pinball. Sometimes I would get flipped into a decidedly point gathering section of the game, other times I would go straight down the middle without hitting a darn thing. Success was slightly better than random.

When talking about planning for the next year, I often ask clients if they want to be a sailboat or a powerboat. A sailboat is pushed forward by the wind of the economy. I see many distributors plan their revenue goals based on the strength of future economic conditions. My preference is that they choose to be the powerboat.

A powerboat has the opportunity to be propelled forward regardless of the conditions surrounding them. No wind, no problem. Market planning, with key suppliers, can turn any organization into a powerboat.

### Choose Your Partners

It is easier to learn the process of market planning by limiting the number of partners. By going through the process, and adjusting along the way, you are building a template for adding more partners in the coming years. I would generally recommend that you choose your partner by the end of the third quarter. Don't make the mistake of choosing your largest supplier. Look for the supplier with the most potential. Who's hungry to grow share with you? This is where you are going to get the greatest return on your effort.

### The Strategy Session

Once you have chosen your partners, this is where the real fun begins. Invite your supplier in for strategic planning session. Make sure that decision makers are present on both sides. We want to have tangible goals and resource commitments nailed down by the end of this meeting. Make sure you come out of this meeting with realistic goals. Doubling the business in the first quarter is probably not realistic. Set clear expectations about what role each person will play in the success of the plan. Not to get greedy here, but it is very common for financial incentives to be discussed if certain revenue goals are achieved. The biggest outcome of this session is a commitment by both sides to be intentional about how you will mutually prosper.

One of the most important tools in this strategy session is a calendar. If you want to prosper together, you must spend time together. I have seen great plans fail because people of a lack of accountability. If you take the time to document when certain activities will take place, there is a far greater chance that the plan will be executed. Top notch planners can look at their calendar any day during the year and know what activities are supposed to be occurring. Is there a training session at a branch? Is one of the salespeople supposed to be making calls with the manufacturer? Do we have a certain product category on promotion? The more you embrace the calendar, the easier the plan becomes.

Before you leave this session, don't forget to make provisions for quarterly a quarterly check in. It does absolutely no good if you get to the end of the year and realize that the plan was not executed. During these quarterly meetings, check in on the goals. Do they need to be adjusted? Is there new information to be considered? Learn to course correct. This check in also provides an opportunity to ask yourself if you have remained accountable. Is my house in order? Are my people embracing this initiative? I harbor no illusions that either side of the relationship can drop the ball. Rather than point fingers, find alignment.

### The Activities

This is where a plan gets exciting. What are we going to do together to achieve mutual prosperity? The answers are only constrained by time and budget. I have seen some great monthly focus programs. Each month, or 60 days, the distributor pours all its energy into

a specific product category. When lined out properly, with proper internal training, the market awareness can flourish. I have seen concrete houses sell ladders and plumbing houses sell safety products. Intention and focus drive market opportunities.

One of the overlooked opportunities is to align promotional periods with advanced media buys. In most cases, the marketing departments of your suppliers have already committed to publications and media outlets. If the end user is going to be exposed to the brand through these channels, we should dovetail activities to maximize exposure.

There are a myriad of traditional joint marketing activities, such as sales calls, training and customer events. I am sure that in your experience you have seen several unconventional promotions with varying degrees of success. In my experience, they all have one thing in common. They require two to tango. Joint marketing activities provide the opportunity to collaborate on a successful outcome. Successful outcomes create long term relationships.

### **Start Today**

Take a few moments to evaluate your market planning ability. If you can honestly say that you haven't given this process much thought, don't beat yourself up. Most distributors are successful despite themselves. That being said, how much more successful could you be if your daily actions were part of a bigger plan? I am challenging you to be intentional with your success. Don't wait for the economic wind to move you forward. Put your marketing muscle on the throttle and be the powerboat. If you need help getting started, I am always here to help.

### **About the Author:**

*Jason Bader is the principal of The Distribution Team. He is a holistic distribution advisor who is passionate about helping business owners solve challenges, generate wealth and achieve personal goals. He can be found speaking at several industry events throughout the year, providing executive coaching services to private clients and letting his thoughts be known in an industry publication or two. He recently launched his first podcast, Distribution Talk. Episodes can be found at [www.distributiontalk.com](http://www.distributiontalk.com). He can be reached at (503) 282-2333 or via email at [jason@distributionteam.com](mailto:jason@distributionteam.com). You can find additional resources on his website: [www.thedistributionteam.com](http://www.thedistributionteam.com)*