

WHO'S THE ALPHA NOW?

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THE
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TEAM

Like many of you, I was relegated to a little extra windshield time over the holidays. To pass the time, and to avoid giving in to my inner road rage monster, I spent many hours listening to podcasts. I know, I know. It seems that I am beginning many of my columns with, "I was listening to this podcast..." I have really got to get a new opener. On the other hand, I learn a ton from these from these auditory gems and I can often weave them into my advisor practice or simply improve my own view of the world. As I was saying, I was listening to a podcast episode where the host and the guest were clearly close friends for many years and they one of the keys to their successful bromance was that one was the Alpha in the relationship and the other was the Beta. In other words, the host thrived in being the more dominant party in a relationship, while the guest was very comfortable being the less dominant. This came out in subtle ways like picking a restaurant to meet at or choosing a particular activity to do together. I started thinking about all sorts of relationships I had been a part of or observed over the years. Two Alphas would often clash and try to find ways to be the lead, while two Betas would constantly wait for the other to take the reins and nothing would ever get accomplished. So how does this observation relate to distribution? In our supplier relationships, there is always an Alpha and a Beta; but does it always remain consistent?

I was doing a little coaching work with one of my longstanding clients and this subject came up. Not that I would suggest to a client that they were a Beta to their supplier Alphas, but it came up in a more subtle way.

We were talking about requesting co-op marketing funds from their suppliers to support some of the more sophisticated digital efforts the company had been investing in. I am a big believer that suppliers need to shoulder some of the load when we actively market their brand. It only seems fair, and it was kind of a given in the industry I grew up in. Over the years, I have heard this client suggest that co-op was never something his suppliers had every offered and it wasn't very prevalent in their niche. Having had some prior relations with his suppliers in my previous life, I knew that these funds were available. They just hadn't been available to his company. His company was the Beta in this relationship.

I had to step back and help him think through the position of supplier dominance. He shared with me that many of the suppliers still withheld parts of their product offering claiming territory or channel conflicts. In many cases they were still having to ask, or rather beg, to allow them to sell the line in certain areas. Oh, you can sell it in Michigan, but you can't sell it in Texas. I really hate this kind of manipulation. For some context, this company has just crested over \$20 million in revenue. With several suppliers, their purchases have crossed over the million-dollar mark. They are no longer the little dog, but they have not been able to convince themselves otherwise. Even though they are clearly moving up the food chain, they still think of themselves as the little dog. This mentality starts at the top.

Clearly, the first thing this leadership team has to do is start acting like a bigger dog. I don't mean this in

an arrogant way, but rather they need to see that they need to start becoming the Alpha in their supplier relationships. In working through this change of perception with my client, we came to realize that he was hanging on to the way he developed relationships in the past. When the company was a small, insignificant player on the map, he was begging to be set up with second tier suppliers. Begging to get a line of credit. Begging to get any sales support. When someone from the supplier would drop by, he would get an "atta boy" and a nice pat on the head. This self-perception has clung to him and has hampered his ability to gather the resources and support to rocket his company forward.

So how does one become an Alpha in a supplier relationship? First, you need to adopt a change in mentality. No longer will we ride the coattails of their brand. It is time that they start riding ours. We must convince that supplier that we are the horse to ride into the future. Obviously, we can't be doing the same marketing activities of the past. Just like we try to demonstrate a unique value proposition to our customers, we need to apply this same approach to convincing our suppliers that we are the better option in the market. When was the last time we pulled out all the stops when doing market planning with a supplier? Put on your selling shoes. Create a PowerPoint. Manufacturer sales leadership can relate to good presentation. Throw out terms like market share and target markets. Words like omnichannel and e-commerce get the juices flowing. Talk about sales innovation and an analytical approach to driving revenue. Highlight some of your successful initiatives and

conversions. Make no mistake, this is a dog and pony show. At the end of the presentation, we want them to be inventing new ways to drive products through your door. That's when the marketing funds magically appear.

Once you become the Alpha, you get to pick who will ride your coattails. I would suggest picking a few key suppliers, who respect your position in the market, and sit down to do formal marketing plans with. This isn't just an arbitrary growth goal with a pot of gold at the end of the rainbow. I am talking about real planning. What joint marketing activities are we going to perform? What products are we going to focus on? What customer segments are we going to aggressively target? How are we going to support key e-commerce initiatives? How and when will product knowledge sessions take place? How can we use marketing funds to support these goals? These are the high-level conversations that take place when we quit fighting for the scraps.

In case anyone gets the wrong impression, I am not anti-manufacturer. I love working with suppliers who are excited about driving new market opportunities. I am thrilled to invite suppliers to participate in innovative initiatives. What I abhor is professional laziness. I have little regard for those who rest on brand equity from the past and look down upon the distributors who drove their brand for decades. Distributors have every opportunity to be the Alpha in their supplier relationships. They just have to look in the mirror and believe it.

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. Last year, he launched his first podcast, Distribution Talk. Episodes can be found at www.distributiontalk.com and most podcast applications. He can be reached at (503) 282-2333 or via email at jason@distributionteam.com. You can find additional resources on his website: www.thedistributionteam.com