



The Distribution Team

We wrote THE BOOK on Distribution Inventory Management

Working with Distributors: Knowing Names

By Jason Bader

Managing Partner – The Distribution Team

In a bit of a deviation from my normal subject matter, I want to talk about a concept that will help any sales rep understand their distribution customer better. Less of a concept, but more of a best practice. When you add the word consultant to your occupation, you are doomed to use the words best practice at least once a month. I have been doing research on the relationship between wholesale distributors and the sales reps that call on them. The idea is to ask distributors what they want from a representative and then pass that information along to the manufacturing community. What makes a super rep? What can a rep do to make himself stand out from the competition? Coming from the distribution side of this relationship, I met many sales representatives. Some good, some bad and some downright ugly. Rather than dwell on the negative, here is a way to win the hearts and minds of all your distribution clients. Know who makes the machine run.

Now this may seem like sales 101. It is. The problem occurs when representatives stop at the top levels. They may get to know the name of the President, Branch Manager, Sales Manager and Purchasing Manager. Some may take the time to meet a few of the sales people, but that's as far as it goes.

A good friend of mine recently passed away. Bill owned an independent rep agency and called on distributors for over 30 years. One of the most remarkable things about him was that he always took time to learn names. He took the time to know the counter people, the warehouse people and the drivers. He took the time to meet the accounting folks as well. When a new person would enter the company, typically in the material department, he would make sure to introduce himself. When Bill entered the store, he greeted people by their first name. It is amazing what people will do when you start out a conversation with their first name.

Besides being a good guy, Bill understood a universal truth in wholesale distributors: closely held organizations tend to promote from within. Most people tend to start out in a material handling capacity. Order pullers become counter people. Inside sales people go to outside sales or purchasing. In my experience, management personnel rarely come from the outside. We tend to grow our own. This may be why some of us are so reluctant to embrace new technology and changes in the industry. We learned our job from the people who came before us. By establishing a rapport with entry level employees, Bill was insuring his future business relationship.

Closely held family distributors are loyal. This statement may have raised a few eyebrows out there, but lets be honest. Most distributors don't change lines on a whim.

You have to really screw up to get kicked out. From the distributor's perspective, it is a real pain in the backside to change lines. The database work alone is enough to let a few things slide. Believe it or not, the distribution business is still very dependent on relationships. By gaining a familiarity with everyone in the building, Bill knew that he was strengthening his loyalty position. Kicking out a vendor is one thing, booting a friend is entirely different.

Distribution is incestuous. Queue the eyebrow raise once again. Even if a material handling person doesn't grow with a particular distributor, there is a good chance that they will wind up working for a competitor. I know distribution professionals who have worked for 4 or 5 different distributors in the same town. Once you're in the distribution business, it's difficult to leave. This rapport with a traveling distribution employee will help solidify your regional sales presence.

In the world of distribution, new companies seem to pop up overnight. I liken this to the feeling that most distributor sales people believe that they could run the company better than the boss. To any salesperson thinking that they want to quit their nice comfy sales job and start a distribution company, THINK TWICE. It ain't as easy as it looks. Despite my warning, some will surely make a run at it. Some will succeed. This is where an established manufacturer sales rep can gain ground.

Internal employee ascension can help sell more of your product. Consider this example. Let's say that a picker has been recently promoted to counter sales. A customer comes in to look for a product. The company carries several different suppliers. Don't tell me this would never happen in your place. Like it or not, we all duplicate lines. Who's product do you think they will sell? What brand does Bill rep? This isn't as far fetched as you may think. We want to do right by those who treat us with respect.

As I mentioned in the beginning of the article, this is a bit of a departure from my normal offering. Let me ask a question, does a good sales rep help or hinder a distributor? Does a "Bill" make your job easier or harder? I recently wrote an article titled, "Help Them, Help You". I would encourage distributors to do just that. Tell the people calling on your company how they can really make a difference. Some will rise to the challenge, others may be too set in their ways. Keep trying. By helping the people who call on distributors become more effective, we are reducing the cost of miscommunication and improving overall net profit.

Good Luck.

Jason Bader is the managing partner of The Distribution Team. The Distribution Team specializes in providing inventory management training, business operations consulting and technology utilization to the wholesale distribution industry. Jason brings over 20 years of experience working in the distribution field. He can be reached at 503-282-2333, Jason@distributionteam.com, or at www.thedistributionteam.com.

This document was created with Win2PDF available at <http://www.win2pdf.com>.
The unregistered version of Win2PDF is for evaluation or non-commercial use only.
This page will not be added after purchasing Win2PDF.