THE DISTRIBUTOR-MANUFACTURER COLLABORATION
In this issue’s article on electrical distributor marketing professionals (see page 83), Greg Laster, director of marketing at Broken Arrow Electric Supply in Oklahoma, provides insight into an effective distributor-supplier collaboration.

“I always love it when supplier reps bring marketing ideas to us,” says Laster. “I’m not being critical, but more often than not the rep’s main concern is getting products onto our shelves. I understand that, but the reps I really love to work with are the ones who are also concerned with helping us get their products off our shelves and into the marketplace.”

A true partnership between the electrical manufacturer, supplier rep and distributor is a collaborative effort to educate customers and meet their needs with product and service solutions. While growing sales is the ultimate goal, the best distributor-supplier collaborations are relationship-driven rather than order-driven; delivering on key factors they value most from each other.

Distributors depend on their suppliers and their sales reps to be experts on their products and provide not only technical support, but sales support as well. There are a variety of ways manufacturers partner with distributors, from joint planning and joint customer sales calls to product literature, product and application photos for the distributor’s own marketing materials, counter or showroom merchandising, training and co-op funds for product promotions, spiffs, sales incentives and customer events. Distributors can also benefit from manufacturers’ incremental sales initiatives. These efforts help both the vendor and the distributor increase share with existing customers and earn business from new ones.

Manufacturers value distributors who are loyal and bring a win-win attitude and an effective sales force to the equation. Suppliers favor supply houses who are short-term and long-term marketing partners for sales initiatives, new product launches and new vertical and niche market sales opportunities.

Collaboration starts with the distributor’s and supplier’s willingness to plan together, pursue new avenues of business and look for markets to grow. Smart marketers know that to succeed, they need a plan and metrics to measure results. With IMARK Gainshare joint planning coming up, IMARK members and suppliers benefit from mutual development of a plan that addresses changing conditions, pursues new markets, supports current product sales and introduces new electrical technologies and customer services.

Suppliers are excellent resources for the research data supply houses need to plan for and react to conditions in their market territory. Close collaboration with a supplier’s market intelligence team can lead to valuable and productive insights into trends in the distributor’s market that joint planning can address and capitalize on. Once the plan is agreed to and the financial arrangements hammered out, including any available supplier funds to implement it, the distributor and supplier jointly review progress on its components throughout the year.

The best distributor-supplier collaborations are characterized by frequent communications from the supplier about code changes, new products, market issues, product photos and accurate product attributes. New product launches are planned well in advance so the distributor’s sales and marketing staff is well prepared and trained for the product release.

In return, an effective distributor will keep the supplier’s sales rep in the
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loop on product feedback, local market trends, targeted accounts and special customer needs. The supplier benefits from being featured on the distributor’s website, co-branded marketing materials and customer event sponsorships.

Beyond calling on distributor purchasing and sales managers, a smart supplier rep keeps distributor marketing staff abreast of new products and promotions the marketer can piggyback on to help seat the promotion more effectively in the marketplace.

What are the best ways a supplier sales rep can productively engage a distributor’s sales and marketing team? Be visible and eager to partner. Respond to distributor requests in a timely manner. Whether it’s with the distributor or his customers, this is a relationship business.

The level and quality of collaboration between manufacturers and distributors is a major factor of the effectiveness of electrical distribution and channel marketing. According to a 2012 NAED survey of manufacturers and distributors, there is still work to be done to make their relationship as healthy as possible. The survey identified several areas where a majority of both partners were “not satisfied.” These included joint market planning, agreed upon metrics to measure results and effective communication between suppliers and distributors.

If both partners are dissatisfied with the same aspects of their relationship, that sets the stage for working together on mutual improvement. Getting it right for both partners is important because successful collaboration between distributors and suppliers is essential, not only to their interdependent growth, but to the continued success of the electrical industry as well.

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