

Export Express

Insights to Accelerate International Expansion



Our Mission: Help Manufacturers “Spend time *Selling* to Distributors versus *Searching* for Distributors”

Milestone for Export Solutions

Looking for good distributors? Export Solutions’ distributor database now covers more than 8,000 distributors in 96 countries. Our database features an average of 74 distributors per country, with extensive coverage of leading food, beverage, and confectionery distributors. Use filters to search by country, category, or brand name. New! Export Solutions’ retailer database now tracks 2,200 retailers in 96 countries. Order now at www.exportsolutions.com.

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Select Your Distributors, Do Not Let Your Distributors Select You!

Identifying strong distributors is a critical step in developing your export business. There is a “science” to partner selection. In some cases, manufacturers choose the easy way out, electing to work with small, undercapitalized companies that approach them randomly at a trade show or via email. Many company’s distributor networks contain these small, enthusiastic distributors who aggressively pursued your popular brand, but rarely deliver. Give them an “A” for effort, but distributor search must include proper due diligence of all potential candidates, not just the small one chasing you.

Do you believe that the best distributors are waiting in line at trade shows or speed dialing export managers? The most powerful distributors are busy building brands for their existing partners. However, all distributors are open to representation of new suppliers. In fact, many of the more strategic distributors assign a brand manager to new business development. This senior person is dedicated to evaluating new company representation inquiries like yours.

Export Solutions ten step distributor search process is a proven method for identifying and selecting distributors that are the right fit for your brand’s marketplace ambitions. Listed below are some practical tips on selecting the right



company to optimize your business in a new country.

Establish Partner Selection Criteria

What are the key attributes of your most successful distributors? Category specialization? Multichannel coverage? Synergy with related brands? Choosing a large, “best in class” partner versus a “small, hungry” company willing to pioneer a new brand is an important preference.

Evaluate Multiple Candidates

Create a large group of potential candidates. This could include distributors or local producers of related products. Include qualified candidates that have emailed or visited at a trade fair. Highlight companies that are specialists in the market sector that you are aiming at. Export Solutions streamlines this process with our leading distributor database containing an average of 74 distributors per country.

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Select Your Distributors, Do Not Let Your Distributors Select You!

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What is Your Story?

Manufacturers need to supply a compelling story on why the distributor needs to invest his money and team resources into your brand. Distributors search for companies with innovative products back by marketing support. How much money can the distributor make representing your brand?

Determine Candidates' Preliminary Interest Level

Send a brief summary of your product proposition and company credentials to the 5-10 most promising candidates. A follow-up phone call to your top candidates is an essential personal connection. Distributors expressing an interest should complete a brief company overview recapping their corporate capabilities: annual sales, organizational model, coverage, key principals, etc.

Interview 3-5 Candidates

Normally, we recommend interviewing at least three candidates depending on the size and complexity of a country. Schedule the meeting 4-6 weeks in advance. Provide a specific agenda at least three weeks in advance, including pre-work such as category market analysis. Meet the distributor's team that would work on your business, as well as senior management. Always meet at the distributor's office for clues on company culture, scale, and capabilities.

Independent Assessment of Performance for Existing Brands

Visit supermarkets and other retailers to observe category conditions. At the same time, evaluate each candidate's performance for his existing clients. Do his current brands

maintain a strong presence in the market? Or are his brands hard to find on the shelf? Complete these visits to leading retailers independently, as an accompanied trip may lead you to check stores which may not be representative of marketplace reality.

Prepare Distributor Assessment Grid

Create a list of key questions to ask each candidate. Topics could include local category dynamics, cost of entry, and distributor success stories. Create a standard grid to evaluate and compare all candidates on a common platform. Contact us for our free Distributor Search Guide with assessment grids, agendas, sample questions and templates for every aspect of the distributor search process.

What is the Distributor's Plan?

If selected, what is the distributor's plan? Customer targets, price calculation, marketing plan, volume expectations? Timeline and benchmarks? Key issues? Resources required? Does the plan align with your vision and the size of the market opportunity?

See Export Solutions' *10 C Cooperation Model* on page 6.

Future

Companies conduct rigorous assessments before hiring new employees. A higher level of intensity must be displayed during the distributor search process. When you choose a distributor, you are selecting a whole team to represent your company in a country, not just one individual.

Export Solutions motto:

Select your distributors, do not let your distributors select you.

Distributor Search Best Practices

Activity	Bad Practice	Best Practice
Distributor Profile	No portfolio synergies.	Representing similar size, premium brands from your aisle/country.
First Contact	Random solicitation by unknown company.	Trade show or formal phone meeting with respected distributor.
Market Visit	Start partnership without market visit.	Local assessment: office, store checks, warehouse inspection.
Year I Plan	No plan. "Buy and ReSell."	Logical plan with targets, activities, timelines, costs.
Price Calculation	Sell at dead net price. Arbitrary mark-up.	Transparent price calculation from factory to store shelf.