



# Export Express

Insights to Accelerate International Expansion



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

## Looking for New Distributors?

How about 9,000? Export Solutions' distributor database has helped 3,000 export managers in 14 years speed up the process of finding qualified distributors. Our database covers more than 9,000 distributors of supermarket and drug store type products in 96 countries. Search by country, category, brand name, or country of origin. Experts for Europe, Middle East, Latin America, and Asia with complete coverage. "Spend time selling to distributors versus searching for distributors."

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## Life After Lockdown



It's a good time to be in the food and consumer goods industry. Our essential work has kept pantries stocked and spurred many people to rediscover the joys of cooking. Our retail customers achieved sales lifts exceeding 10% in 2020 and maintain high single digit increases so far in 2021. As the vaccination line creeps forward, we all face the core question of how to plan for life in the post pandemic world.

### Simultaneous Lockdown, But Staggered Release

In March 2020, the world abruptly stopped based upon initial Covid impact in Wuhan and Northern Italy. Authorities varied tactics from isolation to ignorance but most of the world suffered through several waves of lockdown. The good news is that there appears to be "light at the end of the tunnel." Most Asian nations (ex India) have minimal Covid incidence. The Middle East' combination of vaccination and sunshine suggests that the worst is behind them. All adult USA citizens should be fully vaccinated by

the end of June. Europe will beat the curve, with a gradual opening in the second half of the year. Sadly, Latin America lags behind and fervently hopes for redistribution of excess vaccines from richer nations.

### Home as Hub

The role of the home has changed forever. Goodbye to the daily commute and road warrior status. Most executives expect a hybrid approach with office days dedicated to team meetings, mixed with time back in the comfort of the home office. New habits of travelling the world through your kitchen and home based breakfast and lunch should continue.

### E-Commerce: 20% of Sales?

E-commerce has emerged from niche to mainstream status. Winning organizations have redesigned their route to market strategies to incorporate e-commerce and digital marketing for each element of the business. E-commerce is more than Amazon.

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## Distributor Economics

Do you speak the same language as your distributors? I am not talking about English, Italian, Arabic, or Chinese linguistic skills. I am speaking the language of money. Most export managers discuss business with their distributors in terms of cases and containers. Many distributors are entrepreneurs that measure their business in terms of profit contribution and cash flow, just like your company CFO. Understanding distributor economics can position you and your company as preferred suppliers.



## Strategic Services

### Contact Us for Export Solutions

1. Identify Best in Class Distributors: 96 Countries
2. Best Practices Export Strategy
3. Distributor Management Workshops
4. Export 101: Let's Get Started
5. New Market Prioritization & Launch Plan
6. Personal Distributor Introductions: 96 Countries
7. Walmart International
8. Distributor Contracts, Margins, & Fees
9. Meeting Speaker
10. International Strategy Expert

### 1. Distributors deserve a reasonable profit for their efforts.

Many achieve a net profit margin of only 3-5 percent plus various owner benefits. A financially stable partner invests in people and technology to advance your mutual business. A solid balance sheet allows the distributor to weather the storm in a political or financial crisis.

### 2. What is the "salary" you pay your distributors?

Calculate cash flow generated by your company by analyzing distributor net sales to customers multiplied by the distributor margin excluding any promotional bill backs. Margin is one metric, but cash generated pays the bills. How does the distributor salary compare to the work required to service your business or the cost of maintaining a local subsidiary?

### 3. New Business = Bonus

Distributors are constantly searching for new brands. The next piece of new business entering a distributor generates incremental sales while better utilizing fixed assets like the sales team and warehouse. Brands with existing sales in a country are very attractive as they contribute immediately to the distributor, even if they require a lot of effort during the initial transition.

### 4. Pioneering is tough!

Would you work for a company for one year without salary? That is the scenario when a distributor is challenged to pioneer a brand in a country for the first time. The cycle of distributor selection, business plan, new product launch, marketing activation and customer repayment may take one year or more before the distributor receives his first "paycheck" for his efforts for your company. Of course, there is a long term pay out for the distributor when the brand works. This is one of the primary reasons that distributors are reluctant to start to represent a new company without a strong USP and investment program.

### 5. What is the "size of the prize?"

Distributors appreciate export managers that frame their partnership in terms of mutual profit development. Brand owners that understand the intricacies of distributor cost to serve will be rewarded. Measure your profit contribution to a distributor and request that a fair share of their resources be invested in your brand development. A profitable distributor is a healthy distributor!

Good luck!

Greg Seminara  
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# Export Passport Program



- Identify 5 Prime Prospect distributor candidates:
  - Asia, Middle East, Americas, Europe
  - 3 to 10 country packages available
- One year access to Export Solutions’ distributor and retailer databases. Coverage: 96 countries
- Distributor Search: Best Practices Web Meeting
- “Export Ready” credentials presentation brandscaping
- Export Passport services: \$2,500 to \$5,000

## Contact us for Export Success!

- Distributor Search helper in 96 countries

Contact Greg Seminara at  
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[www.exportsolutions.com](http://www.exportsolutions.com)



## *Distributor 2021: New Skills for New Times*

Priority	Comments
E-Commerce	Treat as major channel, not niche.
Social Media	Hire digital marketing team, link with local influencers.
CEO Engagement	Regular Zoom calls with overseas brand owners.
Culture	Promote young, energetic spirit. Embrace change and new channels.
Category Specialization	Laser focus on core categories vs. products in every aisle of the store.
Training	Use Zoom tools for regular training events with brand owners.
Team	Hire under 30's for social media and e-commerce sales roles.
IT Investment	Upgrade platform: E-commerce, retail reporting, sell out data.
Cost to Serve	Measure profitability by brand and customer. Realign based upon 2021 reality.
Market Your Distributor Brand	Promote your distributor brand to leading companies in your core categories. Export Solutions can help!
Sampling	Aggressive investment in this A+ tool. Explore new sampling vehicles.
Brandscaping	Invest in a "Best in Class" web site. Create modern company profile.
Scorecard	Incorporate e-commerce metrics: Page 1 results, consumer feedback, etc.
Brand Managers	Reward creativity and marketing excellence, not paperwork completed.
Recipe	Promote meal solutions, not just brands.
Optimism	Be positive. Think, "why not?"
<b>Results</b>	<b>Exceed expectations everyday.</b>

## *Export Manager 2021: New Skills for New Times*

<b>Priority</b>	<b>Comments</b>
<b>E-Commerce</b>	Treat as major channel, not niche.
<b>Social Media</b>	Create content library for distributors to “plug and play.”
<b>Management Engagement</b>	Zoom with distributor leadership team: CEO, CFO, VP Sales, etc.
<b>Culture</b>	Promote young, energetic spirit. Embrace change and new channels.
<b>Category Specialization</b>	Share category trends. Deliver product innovation, not “me too.”
<b>Training</b>	Use Zoom tools for regular distributor training events.
<b>Team</b>	Make your corporate functional experts available to your distributor team.
<b>IT Investment</b>	Upgrade platform: Brand portal, syndicated data, shipment status.
<b>Cost to Serve</b>	Measure contribution to distributor profit. Look at pricing and margin vs. agreement.
<b>Marketing Your Brand</b>	Invest to adapt your global marketing plan to local conditions.
<b>Sampling</b>	Aggressive investment in this A+ tool. Explore new sampling vehicles.
<b>Brandscaping</b>	Invest in a “Best in Class” web site. Robust export resource page.
<b>Scorecard</b>	Monitor pricing/assortment at retailer web shops. Incorporate e-commerce metrics in your distributor scorecard.
<b>Brand Managers</b>	Demand young digitally savvy brand managers.
<b>Recipe</b>	Promote meal solutions, not just brands. Look for co-promotion partners.
<b>Optimism</b>	Be positive. Think, “why not?”
<b>Results</b>	<b>Exceed expectations everyday.</b>

## 10 Tips: Distributor Contracts 2021

When was the last time you reviewed your distributor contracts? Fortunately, both brand owners and distributors only dedicate time to these documents at the start of a relationship or when the end is near. View our ten tips on handling distributor contracts.

### 1. Contract, Letter, or Handshake deal?

Most companies maintain a mix of these type of relationships. This is normal, although most wish to standardize the model. The rule of thumb is that the “more money you spend, the more detailed the contract you need.” A simple two page letter of understanding may be appropriate for a small business or a handshake commitment in situations where the distributor “buys and resells.” However, fully supported brand launches and business management of a global brand usually requires a detailed contract to protect both parties.

### 2. Sole Versus Exclusive Distributor

Most distributors demand country exclusivity. This is standard, but may cause problems if the region is subject to inbound shipments from global customers, e-commerce, or grey market traders. A compromise is to offer a contract as the “sole” distributor, providing protection from the manufacturer appointing multiple partners in a country.

### 3. Distributors are Customers

At contract time, some manufacturers fail to remember that distributors are customers, buying your product and reselling to all local retailers. Suppliers may forward “one way” contracts that are biased to terms favoring the manufacturer. Would you send a contract like that to Kroger, Carrefour, or Tesco? Key is to strike a reasonable balance favoring commercial sensibilities.

### 4. E-Commerce Implications

Many distributor contracts were executed before the advent of e-commerce. Revised agreements may be necessary incorporating e-commerce service requirements: items, pricing, inventory, metrics, channel exclusivity.

### 5. Local Law Dominates

Overseas companies should have their contract reviewed by a local law firm to guarantee compliance with local regulations. For example, in Puerto Rico and Belgium, distributor (agent) protection laws supercede any contract language.

### 6. Point of Arbitration

Normally, the brand owner automatically assigns his home country as a point of arbitration for any disputes. In some cases, both parties select a neutral country like Switzerland. A global corporate counsel once taught me that ultimately any dispute will need to be resolved in the distributor’s home country. For example, a USA company can sue a distributor in a USA court. It is unlikely that the distributor will hire a USA lawyer or even show up. The USA court may enter a judgement, but the brand owner still needs to go to the distributor’s country for enforcement.



### 7. Notification of Contract Termination

Standard contracts appear for two or three years with provisions for automatic renewal. Distributors fight for long lead times; a loss of brand can represent a major disruption. From a brand owner’s side, would you want a terminated employee working for you for six months or one year? I prefer three months notification, but that can also backfire if the distributor resigns your business.

### 8. Loss of Major Principal

Sadly, I have witnessed distributor bankruptcies because they were doing “too well.” A distributor grows the brand to a size where the manufacturer decides to take the brand back and form a subsidiary. The distributor scrambles, but sometimes they need to lay off more people and causes a rapid exit of other brands. 2021 contracts should require distributors to inform you within 10 days of notification (not effective date) of any loss of principal representing ten percent or more of their business.

### 9. Global/Regional Customers

Large players like Walmart, Costco, Amazon, and Carrefour can be difficult to manage. They demand best pricing system wide or threaten to trans ship from other locations. In some cases, these retailers may demand to “buy direct.” In this case, you can add an “indent” clause permitting this practice while compensating the distributor for local services such as merchandising.

### 10. Late Payments & Currency Exchange Rate

A distributor that pays late signals financial difficulties. Include a clause that allows you the option to consider the contract in default with payment delays beyond 45 days or with frequent problem payers. The benchmark for calculating currency exchange rates should be specified in the contract. I have seen cases where a distributor assigns a five to ten percent benefit in his favor to protect against the possibility of currency swings.

**Need more information? Visit [www.exportsolutions.com](http://www.exportsolutions.com).**

## Life After Lockdown

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Strategies should incorporate unique requirements to service “supermarket click and collect,” TMall, Ocado style, and other platforms. For exporters, it is worthwhile to consider an e-commerce channel only launch, particularly in Asia.

### Meal Solutions vs. Brand Solutions

Brands need to think about their role “on the plate.” Adventurous cooks are looking for recipes with complete meal solutions. Companies should extend their efforts to co-promote and join efforts with adjacent brands. Digital partnerships are cost effective and easy to replicate.

### Celebrate

People are preparing to party. There is pent up demand to socialize and see friends you’ve missed. It will be acceptable to meet in large groups to celebrate birthdays, holidays and survival. There is hope that 2022 will usher in a long overdue period of jubilation and relief. Companies need to think creatively to share in the joy of freedom of movement. Special packs, vacation incentives, and display point of sale materials can help your brand join the celebration.

### Distributors: Searching for New Brands

Business has been very good for the leading distributors of food and household products. Strategic distributors have used quarantine time to evaluate their product portfolios and look for new opportunities. There is a high level of interest with distributors to fill gaps

within their specialization and expand into health and wellness categories. As always, distributors are looking for differentiated brands willing to commit to mandatory investments in consumer marketing and trade promotion.

### Vietnam, Taiwan, Japan

Vietnam was the top performing economy in Asia in 2020, actually registering growth. Estimates suggest a robust 9% increase in GDP in this country now approaching 100 million people. The long term outlook is outstanding, as companies shift products from China to Vietnam to as a lower cost production location and avoid the China-USA trade war. Taiwan achieved excellent results battling Covid, with around 1,000 total cases in a relatively affluent population of 24 million. Japan appears attractive for exporters due to the emergence of the gourmet channel featuring 10 chains with more than 1,000 outlets featuring wide selections of international brands.

### Middle East Rebound

The price of oil has doubled in the last twelve months. Good news for oil rich nations such as Saudi Arabia, Kuwait, UAE, and Qatar. These countries were proactive and obtained vaccines early. Saudi Arabia is always the big prize with a population of 35 million, bigger than the other GCC countries combined. Another plus is the favorable regional tourist outlook with the Expo in Dubai and World Cup in Qatar in 2022.

## 2021 Top 10

1. Vietnam
2. USA
3. China
4. Taiwan
5. Saudi Arabia
6. Israel
7. Japan
8. UAE
9. Qatar
10. South Korea

### USA Today

A new spirit of optimism exists in the USA, as 3 million people per day receive vaccinations. The grocery business remains healthy, with retailers enjoying sales lifts of +10% versus year ago. Our USA retailer database tracks 368 retailers, all looking for new items to differentiate themselves versus channel leaders. Shelf space is awarded to companies willing to play the USA game of “hi-lo” promotions and investments in brand activation.

### Export Solutions Can Help

Our distributor database covers 96 countries and more than 9,000 distributors and 2,600 retailers. The current environment provides a unique window where its easier to contact distributors regarding new business opportunities. Export Solutions has launched several new programs such as Export Passport which allows us to supply distributor search help via Zoom/Teams meetings.

## Talk to an Expert

- International Strategy Road Map
- Fix Problem Markets
- Entry Plans
- Find Distributors in 96 Countries
- Export Workshops
- Motivational Meeting Speaker



**Export Solutions**  
Distributor Identification Experts

Contact Greg Seminara at [greg@exportsolutions.com](mailto:greg@exportsolutions.com) to discuss your business development project.

[www.exportsolutions.com](http://www.exportsolutions.com)

# Can We Help You?

## Distributor Search Helper for:



Your  
Logo  
Here



Procter & Gamble



Johnson & Johnson



## Recent Distributor Search Projects

Asia	Europe	Middle East	Latin America
Australia	Germany	Israel	Argentina
China	Ireland	Kuwait	Brazil
Indonesia	Netherlands	Qatar	Colombia
Japan	Nordics	Saudi Arabia	Costa Rica
Malaysia	Spain	UAE	Ecuador
Philippines	United Kingdom		Mexico
Singapore		Canada	Panama
South Korea	South Africa	United States	Peru



**Export Solutions**  
Distributor Identification Experts

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to discuss your business development project.

[www.exportsolutions.com](http://www.exportsolutions.com)



## *What Distributors Want to Know ?*

Strong distributors are overwhelmed by calls from brand owners looking for new partners. Distributors assess each opportunity carefully, as any new brand must add incremental sales and profits and not distract from priorities from existing brands handled.

What is the “size of the prize” for the distributor?

Assessment Criteria	Facts	Rating (10 = Best)
Your company: size/ reputation		
Existing business: sales in distributors country?		
If zero “current sales,” what is realistic expectation?		
Brand’s USP...your point of difference/innovation?		
Size of investment plan: Marketing and Trade?		
Potential distributor revenues? margin?		
How does the product taste? (or perform)		
How attractive/compliant is the packaging?		
Pricing relative to category?		
Brand success story in an adjacent country?		
Competition intensity in category?		
Brand range complexity? Product shelf life?		
Local market research? Syndicated data?		
Will brand invest in marketing and social media?		
Will this be a tough product to launch?		
Can we grow with the brand owner?		
Your brand: core distributor category or adjacency?		
Will the export manager be good to work with?		
Will we be proud/excited to represent this brand?		
What is the “size of the prize?”		

## *368 USA Customers* How many are you selling to?



### *Export Solutions Retail Database Covers 368 Customers*

242 Supermarket Chains

29 Natural Foods

39 Convenience Chains

28 Wholesalers

### **Features**

- ✓ Up-to-date store counts
- ✓ Direct link to retailers' web sites
- ✓ Financial information for publicly traded retailers
- ✓ 85 Canadian retailers plus 2,200 retailers in 94 other countries
- ✓ Free sample access

Order now: [www.exportsolutions.com](http://www.exportsolutions.com)



## Retailer Benefits: Purchase from Local Distributors

I recall my market visits to Central America where retailers such as Walmart, Auto Mercado (Costa Rica), and Super 99 (Panama) suffer from frequent out of stock conditions due to direct import practices. A retailer's primary objective is to maximize sales, which is tough to achieve if there are gaps on your shelf as you await the next container from the USA. "Service" defines best-in-class manufacturers like Coca Cola and distributors which maintain local inventory and strong commitments to keeping in store product showrooms "looking good." Listed below are Export Solutions' Ten Tips why an international retailer should source your brand from a local distributor versus waiting for a direct shipment from your central factory.

### 1. Local Inventory: 24-48 Hour Delivery

Local distributors promise 24-48 hour delivery, instantly correcting costly out of stocks. Direct import supply chains may take up to six weeks for inventory replenishment. We have all witnessed situations where a retailer allows 1-2 items to run out of stock for weeks to wait to place a consolidated order or to encourage sales of a size where they are overstocked.

### 2. Brand Building vs. Availability

Direct import brands look lonely on the shelf, without any activation or promotion. I remember the case of Hidden Valley Ranch, the leading USA salad dressing from Clorox. I was thrilled when it showed up on the shelf of my Walmart in Buenos Aires. However, I was one of a few homesick expats who knew about Hidden Valley. Without support, the brand gathered dust and was discontinued.

### 3. In-Store Merchandisers: Emerging Markets

In-store merchandisers or distributor appointed "shelf stockers" represent an essential function across Latin America, Asia, and the Middle East. Large distributors maintain armies of merchandisers to fight for shelf space and brand presence for the brands that they represent. Retailers typically offer "prefunctory" stocking for direct import brands, with low level of compliance versus agreed to terms. I recall a situation in Mexico for a leading USA beverage brand. The retailer had complained about slow rotation of the direct import brand. We checked stores and saw that only 2 of 4 sizes were typically cut in on the shelf, with items relegated to the bottom or top shelf, nowhere near "planogram promises."

### 4. Distributors: Local Category Advisors

Distributors understand local taste preferences and share trends from other market customers. In emerging countries, normally there is a preference for smaller sizes than the family packs offered in USA or European supermarkets.

### 5. Problem Solving: Pricing, Shelf Tags and More

Success in the consumer goods industry requires focus on the myriad of details from the factory to the store shelf. Without a distributor, difficult to identify and correct routine problems like incorrect pricing, missing shelf tags, and misshelved goods.

### 6. Promotions Drive Trial and Tonnage

Local distributors offer periodic promotions to stimulate sales. Typically, this translates to price discounts, but can also include sampling, banded packs, and joint displays. Direct import brands usually sit on the shelf without the benefit of local activation.



### 7. Point of Sale Material and Stock Rotation

Emerging markets permit point of sale materials which encourage sales. Distributors provide special display pieces or trial size shippers. Merchandisers rotate stock regularly to facilitate "first in, first out" movement.

### 8. Damaged, Expired Goods or Product Recall

Local distributors provide a valuable service on returned goods. This allows a retailer to remove out of date or damaged products for a credit. With direct imports, the sub-prime product lags unattractively on the shelf, with no one focused on replacement.

### 9. Payment Terms

Distributors offer retailers 30-60 day payment terms. Smart retailers fund their inventory from the "float," buying and selling goods before the payment is due. On direct imports, retailer needs to tie up his money in inventory, in some cases paying in advance and then storing goods until the unsupported brands sell. Is this the best use of capital?

### 10. Retailers: Support Your Local Distributor Community

Distributors represent small/mid-size local businesses which provide jobs to members of the community. Distributor employees are shoppers too, likely to shop at customers that are supporting their company.

### Success: Create Total Country Customer Strategy

Export Solutions recommends dealing with a local partner (distributor) who is capable of serving all market customers. This allows you to optimize sales and maintain pricing equilibrium. Retailers attempting to buy direct offer the temptation of short term volume, but rarely translate to long term brand building for the supplier.

## Country Experts

Looking for distributors specialized in brands from your country? Search Export Solutions database to find overseas distributors handling food, beverage, and sweets brands from your country.



**Italian Food & Sweets**  
1,356 Distributors



**German Food & Sweets**  
639 Distributors



**Spanish Food & Sweets**  
389 Distributors



**Latam Food & Sweets**  
514 Distributors



**UK Food & Sweets**  
664 Distributors



**USA Food & Sweets**  
1,148 Distributors

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