

Export Express

Insights to Accelerate International Expansion



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

Sell to 96 Countries

Looking for qualified international distributors? Export Solutions’ leading distributor database supplies information on more than 9,700 distributors in 96 countries. The database features filters that allows you to screen distributors by categories such as Confectionery, Natural Food, Beverage, or Made in the USA (or Italy, UK, or Germany). New! Export Solutions’ retailer database now tracks 2,950 retailers in 96 countries. Free samples at www.exportsolutions.com.

In This Issue

Page 2

Ten Tips –

Maximizing Trade Show Productivity

Page 6-7

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

Page 14

10 Questions for Every Distributor Interview

Page 23

What is the Plan?

Page 28

Export Trade Promotion Funding

Page 33

Pioneering: A Gamble, Not a Guaranteed Gold Mine

Find the Right People

I love trade shows! Where else can you host crowds of overseas distributors interested in speaking about your brand? International exhibitions represent an efficient approach to meet existing partners, evaluate new distributors, launch new products, check out the competition, and network. The challenge is to “find the right people” who are serious brand builders, not pretenders. Scheduled meetings with pre-screened distributor candidates are a proven success strategy.

Big Investment

Brand owner participation at global trade shows like SIAL or ISM represents a significant commitment. There is the financial investment in booth space plus travel and entertainment. A greater cost is associated with investment in the team’s time. Normally, it takes one week to get ready for a major show, another week for the show and as much as two weeks for follow ups. Some companies roll the dice and elect to make a big splash at only one trade show per year. Under any scenario, there is significant pressure from senior management to



make trade show investment pay out in the form of profitable new business relationships.

Make “Hope and Pray” Go Away

Many exhibitors create a beautiful booth, and then “hope and pray” that a strong distributor from a target country passes by. Export Solutions’ Trade Show Planning Guide is a resource to help you maximize productivity from your international trade show participation. This guide is packed with insights, templates, and best practices to help you “find the right people” to build your export sales. Export Solutions’ distributor database is an “accelerator,” supplying information on 9,700 distributors in 96 countries. “Spend time selling to distributors versus searching for distributors.”

Greg’s Guidance: Trade Show Tips

- ✓ New Expansion Countries: invite qualified distributors to scheduled meetings
- ✓ Distributors Wanted: post sign listing key expansion countries
- ✓ Distributor Data Sheet for all visitors to complete
- ✓ Company Credentials Brochure, export manager contacts on back
- ✓ Find the Right People: **Select** your distributors, do **not** let your distributors select you

Ten Tips – Maximizing Trade Show Productivity

Everyone loves a trade show. Where else can you rent a booth and witness lines of customers and distributors waiting to see you to talk about your brands? Trade shows represent sizable investments and valuable booth time can be wasted with non-productive meetings.

Read our Ten Tips to maximize your trade show productivity.

1. Create Sign:

Distributors/Customers Wanted

List countries where you are searching for a distributor or retailer partner. This serves as an invitation to distributors from those countries to stop by. This strategy also acts as a deterrent to discourage distributors from visiting from countries where you already have a partner or maintain limited interest.

2. Use Export Solutions Database to Pre-Screen Distributors

Over 3,000 companies have used our proprietary database to find qualified distributors. Quickly. A common technique is for distributors to list the countries where they hope to expand one month in advance of a major trade show. They then use the Export Solutions' database to pre-screen candidates and identify the five candidates per country with the highest potential. Then, they email these distributors in advance of the trade fair to request a meeting. This approach works better than sitting at your booth with a "hope and wait" strategy to meet qualified distributors.

3. Create a Template to Recap Capabilities of Potential Distributors

Request that prospective distributors complete the template in advance of a meeting. Think of the template as a distributor CV or resume. How long has the distributor candidate been in business, sales, employees, key brands, length of service for key brands, and most importantly references from other brand owners and in country retailers.

4. Prepare a One Page Recap of your Company Credentials

This should include product "beauty shot," current export countries, and unique product characteristics. List export manager contacts and a photo on the back with a space for notes. Professionally print this on a one glossy page handout. This will serve as an important reminder for the meeting when the retailer or distributor returns home with hundreds of business cards.

5. Participate in Show Sponsored Matchmaking Events

Most trade fairs organize matchmaking events. The formats can vary, but basically they can arrange meetings with interested buyers or distributors. As always there is a mix of good meetings and bad, but the approach is worth consideration.



6. Take Photos of Potential Distributor Candidates

First take a picture of the distributor's business card. Then take a photo of the potential new distributor. After hundreds of short meetings, this will help you remember the candidate once you begin serious due diligence after the trade show.

7. Bring at least 500 Business Cards

I am serious. We have all run out of cards at a trade show. Better yet, bring 1000 business cards.

8. Schedule a Group Event for Current Distributors

This event is an efficient way to launch a new product or announce "Distributor of the Year." You must schedule the event before or after show opening times. Best bet is a breakfast or a dinner, if you schedule it four months in advance to avoid conflicts with other events.

9. Get to the Show Early and Leave Late

As a trade show visitor, it is normally much easier to reach senior decision makers of a supplier before 10:00 am or after 4:00 pm. They are often less distracted and have more time to spend with you. Similarly, Brand Owners are always more accessible on Sunday of a trade show or the last day. Normally, the retail buyers don't attend trade shows on the weekends or "last day" of the trade show.

10. Create a Trade Show Exhibit Planner

Trade Shows post a listing of all exhibitors on their web site in advance of the show. Many also have a routing software that will allow you to add exhibitors of interest to your private list and plot a route based upon your selected exhibitors. Exhibitors that maximize trade shows schedule most of their meetings in advance.

Are Distributors Interested in Your Brand?

I have conducted hundreds of distributor interviews for multinational companies: P&G, Nestle, General Mills, Duracell, Lindt, Tabasco, Barilla, J&J, etc. Distributor candidates all claim enthusiasm and high interest in your brand. See Export Solutions' checklist of clues to measure true distributor interest level.

	High Interest	Low Interest
Email Response	Immediate reply	Delayed or no reply
CEO Engagement	Active participation	Delegated to middle management
Scheduling Meeting	Flexible and easy	Difficult. Conflicts.
Airport/Hotel Pick-Up	Offers to pick you up	Take a taxi!
Meeting Presentation	Tailored. Prepared for you.	Standard presentation
Category Research	Obtains data	None
Competitive Review	Shares photos: store sets	Informal comments
Store Visits	Organized/led by CEO	Office meeting only
Samples	Obtains and tries samples	Waits for you
Team Participation	3-6 people at meeting	One person
Cell Phone	Shares private number	Email address only
Questions	Addresses key issues	No questions
Timeline	Meets due dates	Delays
Post Meeting Follow-up	Immediate and frequent	None
Proposed Plan	Detailed and fact based	Brief topline
Results	Winner	Second place?

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?”		

Exporter Data Sheet

What Distributors want to Know about Your Company

New Business Opportunity: _____ *(Company Name/Country)*

Key Contact:		Telephone:	
Web Site:		Email:	
Founding Date:		Ownership:	
Annual Sales:		Total Employees:	
0-\$50 million	\$50 million - \$250 million	\$250 million- \$1 billion	\$1 billion +
% Sales International:			
0-10%	10-25%	26-50%	50% +
Exporter Classification/Description: _____ (#1-10, based upon Export Solutions' scale)			
Core Product Range:			
Unique Selling Point:			
Market Share:			
Home Country:	Country A:	Country B:	Country C:
Current Business in Distributor's Country:		Yes/No:	Size \$:
Current Customers (Distributor's Country):			
Investment Model:	Listing Fees*: Yes/No	*average \$35 per item,per store	
Trade Promotion Budget:	Dead net price:	10% of sales:	Mass:
Marketing:	Digital:	Sampling:	360 degree:
Ambition/Size of Prize:	Sales:	Market Share:	
Year 1			
Year 2			
Year 3			

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 85 distributors per country.

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.

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

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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*.

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.

Export Passport



Strategic Export Development Program



Export Solutions
Distributor Identification Experts

Distributor Search Challenge



- Some distributors are too big...
- Other distributors are too small!

✓ Export Passport identifies
Prime Prospect distributors
that represent the **Right Fit**

Exporter Classification*

Type	Description	Export Profile
10	Multinational	Strong market share everywhere across multiple categories.
9	Global	Multinational. Mix of leading countries and niche participation.
8	Category Champion	One core mass category. Strong performance globally.
7	Icon	Well known, niche leader. Global availability. Example: Tabasco.
6	Regional Leader	Strong share across one continent/region. Some export success.
5	National Hero	National treasure, #1 brand. Exports to homesick expats, tourists.
4	Player	Respectable share in home country. Opportunistic exports.
3	Participant	"Me too" product. Opportunistic exports. "Trader" / private label.
2	Challenger	Innovator. Some listings in home country. New to export.
1	Start-up	Trying to get traction in home country. Export "dreamer."

*Export Solutions' classification system

Distributor Classification*

Stars	Title	Description	Prime Prospects
★★★★★	Champion	Massive distributor. Handles multinational/ #1 brands across many categories.	Brand leaders. \$\$\$ marketing budgets. Exporter types: 6-10
★★★★	Captain	Category Captain. Handles leading brands in one segment.	Category innovators/leaders. \$\$ marketing budgets. Exporter types: 5-9
★★★	Player	Mid-size distributor. Handles #2/3 brands or niche leaders across many categories.	Differentiated, premium brands. \$-\$\$ marketing budgets. Exporter types: 4-7
★★	Participant	Respected local. Diversified product portfolio. Results equal to investment.	Flexible, challenger brands. \$ marketing budget. Exporter types: 2-4
★	Pioneer	Small distributor. Entrepreneurial, open to innovative new companies.	Start-up brands. "Pay as you go" marketing. Exporter types: 1-3

*Export Solutions' classification system

Need more information? Visit www.exportsolutions.com.

Export Distributor Data Sheet: _____ (Distributor Name)

Key Contact:		Telephone:	
Web Site:		Email:	
Annual Sales:		Total Employees:	
Employees, by Function:			
Key Account Sales	Logistics	Marketing	Merchandising
Company Owned Warehouse:		Yes	No
If Yes	Warehouse Size:	Location:	
Channel Coverage (percent sales by channel):			
Supermarket	Convenience	Foodservice	Other
Top Five Manufacturer Clients:			
Company Name	Brands Represented		Years Service
1			
2			
3			
4			
5			
Manufacturer references:			
Company Name	Contact Name	Contact Telephone	Contact Email
1			
2			
3			
Why are you interested in distributing our brand?			
Why is your company the best candidate to represent our brand in the market?			
Feel free to attach your company credentials presentation.			

Export Solutions recommends creating your own one page Export Distributor fact sheet template. Insist that all candidates complete the template 100 percent prior to a phone interview or trade show meeting. Pay particular attention to the annual sales number, brands represented and manufacturer references. Qualified candidates will enthusiastically complete these sections. "Pretenders" or time wasters will leave these sections blank or disappear saving you time and money!

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	North America	Mexico
Singapore	Africa	Canada	Panama
South Korea	South Africa	United States	Peru



Export Solutions
Distributor Identification Experts

Call the Export Accelerator!

Contact Greg Seminara at greg@exportsolutions.com
to discuss your business development project.

www.exportsolutions.com

10 Questions for Every Distributor Interview

1. Company History

How long have you been in business? Who are the owners?
How many direct, "payrolled" employees do you have?
Approximate annual sales volume?

2. Company Brand Portfolio

What are your top 10 companies/brands represented?
For which channels do you represent each brand?
How long have you represented each brand?
Can you provide senior level references at each "brand owner"?

3. Key Account Buyers

Who is the buyer for our category at the largest retailers in your market? What other brands do you sell to our buyer?
How frequently do you visit each major customer?

4. New Product Launch Success Story

Provide a recent example of a new brand launch success story.
Key retailer acceptance? Cost of entry? How long did it take?
Key elements of the success strategy?

5. Creative Selling

Provide an example where you took an assigned marketing/brand support budget and created a successful local program. How do you measure success?

6. Retail Servicing

How many full time employees do you have visiting retail stores? Are they located countrywide or just in the capital city?
How do you measure a "good store" in terms of brand presence versus a "bad store"? Describe your retail reporting system.

7. People

Who would be our point of first contact? Would our contact also "sell" our brands to major accounts? What other brands is our contact responsible for? How do we insure that we get our fair share of attention from your sales force?



8. Business Planning Model

What would your action plan be if we made an agreement to start with your company? First steps? 90 Day Plan? Reporting?

9. Cost to Serve

How do you model your distributor margin? Range of margin for our brands? Are you open to promotional spending split (50/50)?

10. Enthusiasm for our Company

Why is our brand a good match for your company?
Why are you the best partner in the market for our brand?
What commitment are you willing to make?

Talk to an Expert

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



Contact Greg Seminara at (001)-404-255-8387 to discuss your business development project.

www.exportsolutions.com



HomPort Strategy

2024 is the year to pursue your American Dream. 336 million people, big stores, and adventurous consumers with spending power establish the USA as the top opportunity. Most international brands are available sporadically in the USA, but sales levels fall far below potential. Many companies fail to achieve their ambitions, as they treat the USA as "Export Country #31," with a "copy/paste" approach from exports to smaller countries.



Export Solutions
Distributor Identification Experts

HomPort reflects the fusion of success strategies from your home base adopted for an export model. This incorporates fundamentals like market research, product innovation, and a strong local sales team. In practice, it signals a unique model for the USA, with stronger organizational and investment commitments delivering a larger size of the prize.

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
and Launch Plan
6. Personal Distributor
Introductions:
96 Countries
7. Walmart International
8. Distributor Contracts,
Margins, and Fees
9. Meeting Speaker
10. International
Strategy Expert

1. Range Review

Overseas companies usually default to their best sellers from back home. However, what may sell well in your country may represent an unfamiliar taste or meal pairing for the USA. Consider a product range just for the USA, with bold, colorful graphics to justify a premium pricing positioning. Herdez, a billion-dollar Mexican food player, created a winner with their Guacamole salsa range.

2. Target Upscale Retailers: "From High Class to Mass."

The USA features more than 460 retail banners. Focus your activation efforts at high-profile "influencer" retailers that are viewed as new product pioneers. Consider Kings, Roche Brothers, Fresh Market, Heinen's, Harris Teeter, Central Market, Gelsons, and Erewhon.

3. Hi-Low Promotions

One report revealed that over 40% of USA purchases were stimulated by a price discount. In the USA, consumers are geared to stock up via "Buy One Get One" and "2 for \$5" type offers. Consider higher everyday prices with deep discount promotions four times per year.

4. Are Your Brokers the Right Fit?

Some international brands work exclusively through their importer, missing the vital connection to the broker who owns the customer relationship. Massive national brokers like Acosta and Advantage with 20,000 employees and armies providing store-level merchandising service offer a different model than niche specialty food brokers selling through UNFI and Kehe. Aim for motivated local brokers with experience executing trade promotion strategies and offering retail coverage.

5. Boots on the Ground

You must have someone based in the USA working with your brokers "day to day." Options include a dedicated (or shared?) employee or a broker management group that offers scale to emerging brands. Locate your person in a central hub like Atlanta, Dallas, or Chicago with optimal time zones and easy flight connections.

The USA offers potential to become the "second home" for companies willing to follow the clear path to market development. International companies need to reflect on the lessons learned from their biggest country and apply these fundamentals to the USA. Success in the USA represents a larger new business opportunity than all other "export" countries combined for those committed to the principles of HomPort!

Greg Seminara
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"Spend Time Selling to Distributors versus Searching for Distributors"

Buyer New Item Scorecard Score _____

Criteria	Weighting	Rating	Evaluation Factors
Product Innovation	20%		<ul style="list-style-type: none"> • High growth category or mature? • Taste or performance • Differentiation vs. current assortment • Consumer research insights
Saleability	20%		<ul style="list-style-type: none"> • Packaging attractiveness • Retail price point vs. category norms • Sales turnover at other market retailers
Promotion Plan	20%		<ul style="list-style-type: none"> • Size of investment...\$\$\$ not percentage • Consumer marketing: sampling, digital • Trade: listing fees, trade allowance level • Participation in retailers' programs
Team	20%		<ul style="list-style-type: none"> • Distributor/Broker: category experts? • Logistics service level • Merchandising team to service stores
Size of the Prize	20%		<ul style="list-style-type: none"> • Incremental category sales • Incremental category profits/margin • Realistic projections (data)
X Factors			<ul style="list-style-type: none"> • Do I love/"believe" the story? • Does the item sync with corporate goals? • Will this product appeal to our customers? • Will it sell better than the item it replaces?

Greg's Ten Tips

1. Good news travels fast and bad news travels slowly
2. If you want to know what's really going on, spend a day visiting stores
3. Pick up the phone and call a friend or business partner versus email
4. Be positive. Think, "why not?"
5. Results are directly proportionate to your investment: Marketing, People, Focus, Time
6. A distributor (or Broker) "respects" what the Brand owner "inspects"
7. Shipment numbers rarely lie
8. Put it in writing
9. If two people agree on the principle of a deal, you can usually work out the financial terms
10. There is more in common with industry practices across the globe than differences. Brand owners everywhere desire more shelf presence and retailers demand more discounts. Recognize the differences, but focus on the universal requirements for innovative products supported by marketing and trade investment.

How to Excite Buyers – New Product Checklist

Retail buyers are challenged to maximize profits and sales from every available inch of shelf space. Every new item accepted must improve on the performance of the brand currently occupying that space. Buyers are overwhelmed by new product offerings, all with ambitious promises. Improve your chances of success by incorporating Export Solutions' 10 point check list on how to excite your category buyer about your new product.

Buyers: New Product Assessment		
	High Interest	Low Interest
Category Opportunity	Large or high growth	Declining or niche
Brand Owner	Multinational or proven local. Category expert	New foreign supplier or start-up
Innovation	Something new, supported by consumer research	"Me too" product
Profit Margin	Enhance current category margin	Equal to or less than current category margin
Sales	Generates incremental sales	Cannibalizes existing sales
Marketing Investment	Sampling, social media, PR	None
Trade Programs	Invests in retailer "push" programs	Periodic discounts/rebates
Brand Track Record	Successful at other local retailers	Unproven in the country
Terms/Conditions	Attractive deal structure	Typical terms/conditions
Representation	Dependable local distributor	Small, niche entrepreneur

New Distributor Assessment Grid

Criteria (weighting)	Rating	Evaluation Factors
Corporate Credentials 30%		Size, sales force, logistics, # employees. Reputation (reference check existing brands). National coverage. Multi-channel coverage.
Category Expertise 20%		Sells brands in my category. Shelf space for existing brands. Current brands selling to target retailer. Category analysis and insights.
Brand Building 15%		Ideas to build or launch my brand? Marketing plan, cost, timing. Success stories.
Cost to Serve 15%		Fair, transparent model relative to size of business, brand investment, and work required.
Enthusiasm for My Brand 20%		Advance preparation, CEO involvement. Follow-up on commitments. Alignment with your vision.
X Factors: People, Admin., Professionalism, etc. +/-		CPG/FMCG background for leaders. Efficiency of scheduling meeting. Office environment. Do you enjoy the people?

Rating System



Rating	Score
Excellent	5
Very Good	4
Average	3
Fair	2
Poor	1



Contact Greg Seminara at (001)-404-255-8387 to discuss your distributor search project.

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Distributor Capability Assessment

Export Solutions established 15 assessment criteria to identify “Best in Class” performers as well as “under achievers.” Many distributor relationships extend 10 years or more. Is your distributor network still a “good fit” for your current business requirements? Template can also be used as New Distributor Reference Check form.

Assessment Criteria	Rating: (10 = Best)
Category Expertise/Critical Mass	
Focus/Time Dedicated to your Business	
Joint Business Plan Development, Execution, Delivery	
Alignment with Brand Owners Vision. Relationship.	
Cost to Serve (fair margin, extra costs)	
Assortment/Shelf Space	
Promotion Creativity, Effectiveness, and Efficiency	
Key Account Relations (Senior level, buyer)	
Leadership/Owner (engaged & committed to us?)	
Brand Manager (seniority, clout,creativity)	
Multi Channel, Multi Regional Coverage	
Financial Stability, Payment Record	
Supply Chain Management & Forecasting	
Problem Solving: rapid response?	
Sales Results versus Budget, Market, Category (CY, PY, 3 Years)	

Introducing



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Ten Tips: Converting Promising Leads to New Partnerships

Have you ever experienced an incredible first meeting with a distributor? Strong alignment, good fit, everyone smiling, timelines agreed. Then, nothing happens! The export manager may take up to six months to translate his outlook from “done deal” to “dead deal.” There are two reasons why this occurs.

First, distributors are positive, competitive athletes, always striving to win new business. However, in some cases, the distributors wake up after time to reflect and decide they really weren't that interested in the brand after all. Failure also results when a strong first personal meeting at a trade show or distributor's office is followed by a relationship buried in email communication, with no personal touch. Below are Export Solutions' Ten Tips on converting promising new business leads into tangible business partnerships.

1. Zoom/Teams – Don't Depend on Email

Motivated distributors still return phone calls, but frequently receive up to 200 emails a day, many from existing brand partners. Top distributors' business days are captured by a continuous flow of meetings with customers, principals, and their own employees. Best bet is to call a potential partner or set up Zoom meetings. Email is okay for routine correspondence, but too easy to ignore or delete.

2. Follow Up Immediately & Frequently

Time slips away, as Export Managers focus on existing businesses and “problems of the day.” One tip is to put regular follow up reminders on your computer calendar.

3. Focus on 5 C's: Category Review, Calculation, Cost of Plan, Compliance, Contract

There are 5 critical elements to translate a “lead” into shipments.

Category Review: How does your category look in target country? Category size, competition, pricing, margins, and merchandising activity.

Calculation: What is the distributor's proposed calculation from your factory gate to the store shelf? What are standard costs like duties and taxes? What are flexible or negotiable like trade discounts and distributor margin?

Cost of Plan: Each brand needs a plan to gain market entry. This includes key

account “sell in,” followed by consumer and trade promotion activities. Look at the distributor's proposed plan, as well as several options with different price tags.

Compliance: Many countries feature a product registration process and labeling requirements. In some countries, this step is easy with automatic compliance for a USA or European brand. Or a simple solution with a small distributor applied sticker. In other countries like Japan or Indonesia, plan on one year or more to navigate the complex process.

Contract: “Ready, Set, Go” can be delayed by 3-6 months due to contract negotiations. Company lawyers demand 20 page agreements in English that even the Brits can't understand. Distributors prefer two page letters of understanding or a handshake deal. Do what is right for your business, but expect delays and frustration.

4. Request References

A good idea is to quickly request distributor references from other brands they handle. Motivated distributors will send impressive references right away. Also, have your credit department run a Dun and Bradstreet or Equifax report as soon as possible. Many trade show meetings are with “pretenders” who state exaggerated claims and are ultimately too small to handle your brand. Better to discover this sooner versus later.

5. Move Beyond the Distributor Owner/MD

The distributor owner “writes the checks,” but frequently serves as a “bottleneck.” The key is to quickly get your brand assigned to a “worker” whose task is to move your project through the system and produce an order!

6. Establish Realistic Timelines

Sync with category review dates and avoid holiday periods. Update timelines frequently. New distributor relationships always take longer. Plan on six months from first meeting to first shipment. Be pleasantly surprised if things move quicker.



7. Distributor Response Time Signals Interest Level

How often do you check your emails? Probably every hour. When I work on distributor search projects for well known brands like Pringles, Tabasco, or Barilla, distributor response is lightening fast. Motivated distributors will chase you if they are interested because they are anxious to start selling your brand!

8. Establish Regular Checkpoint Calls

I suggest every two weeks at a minimum. Use a common document of priorities, action steps, and due dates.

9. Visit the Distributor

It's amazing the amount of progress that will be made during a meeting at the distributor's office. Also, the distributor will work hard in advance of your visit as your project moves up the priority list and they want to guarantee a favorable impression. A visit to the distributor's market signals your commitment. Beware if the distributor is reluctant to schedule your visit. Either he has changed his mind about a partnership or his office and capabilities do not match the bold promises made at the initial trade show meeting.

10. Parallel Path Two Candidates per Country

A favorable first meeting represents an excellent start. However, there are still many steps (think 5 C's in point 3) before you sign a contract and receive your first order. Always keep two candidates in the process, in case your top choice disappoints. This can be tough, but represents a better option than needing to start the entire process over again.

Searching for New Distributors?

Export Solutions makes life a little easier for more than 3,000 export managers. Our time saving distributor database serves as a “helper” for identifying more than 9,700 qualified, local brand builders in 96 countries.

Search by Country, Category, or Country of Origin

Local Experts

Distributor Coverage

Asia:	2,089
Europe:	3,322
Latin America:	1,676
Middle East:	974
USA/Canada:	1,580

Category Experts

Distributor Coverage

Candy/Snack:	2,876
Ambient Beverage:	1,806
International Foods:	3,577
Health & Beauty:	1,927
Natural Foods:	898

Country Experts

Distributor Coverage

European Brands:	3,322
German Brands:	666
Italian Brands:	1,484
UK Brands:	723
USA Brands:	1,266



*“Select Your Distributors,
Do **Not** Let Your Distributors Select You”*

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10 C's – Cooperation Model

1. Case

Manufacturer supplies a business case confirming brand "aspirations" for the country: Key items in portfolio, estimated base pricing, volume/market share expectations, and investment model.

2. Category Review

Distributor supplies a local review of category competitors, pricing, and merchandising practices.

3. Capabilities

Distributor shares detailed organizational capability and customer coverage. Could include references from existing suppliers represented. An important step when there are two or more candidates under consideration.

4. Commitment and Costs

What is the Year 1 Plan and Forecast? Targeted listings, marketing activities, launch budget and volume estimate associated with the spending plan.

5. Calculation – Value Chain

Line by line, build up from port to retail store shelf. Include currency assumptions.

6. Compliance

Highlight product registration and label requirements. Typical timelines for compliance?



7. Captain of Team

Who will be our day-to-day brand manager or first point of contact? Which senior executive will serve as our "Brand Champion?"

8. Contract

Options include formal contract, letter of understanding, or handshake deal. Begin this process early!

9. Consumer Marketing

What are planned activities to generate consumer trial and repeat purchases? Trade marketing, consumer marketing, social media, etc.

10. Calendar /Close

Distributor supplies a detailed timeline of all activities. When can we expect first order and delivery to support launch? Frequent checkpoint calls or meetings.

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Distributor Identification Experts

Ten Questions: Developing your Cooperation Model

1. Size of the Prize

What are the distributor's year one and year three volume estimates? How big is the category? Is the category growing?

2. Key Account Listings

What listings can we achieve in year one? Who will be our biggest customers? Will there be differences in retailer acceptance by region or channel?

3. Trade Reaction

What will retailers like about our brand? Any potential barriers? Which retailers will be most challenging?

4. Brand Manager

Who will be our primary point of contact? Experience level? Workload?

5. Marketing Investment

What budget is requested to achieve our mutual shipment objectives? Who pays for marketing costs? Which costs are split?

6. Currency Fluctuation

What assumptions are made in your price calculation? What happens if the currency fluctuates more than 5 percent in either direction? How do you handle price increases?

7. Distributor Margin

What is your distributor margin? What services are included? Any other fees or regular costs if we work together?

8. Trial and Repeat

What strategies are required to generate consumer trial and repeat purchase? What works? How do you conduct post-promotion analysis and measure payout and success?



9. Focus

Where will our company rank in terms of volume contribution to your overall business? How will we secure share of mind during our critical first year?

10. Issues

What are the biggest issues we will face? Barriers to success? What must happen to win?

5 Critical Questions to Thrive in 2025

1. Are we willing to pursue international acquisitions?
2. Would your company consider overseas contract packing (versus export)?
3. Can we test a high spend investment plan ("The Right Way") in a strategic country?
4. Would your company invest aggressively in offshore head count in advance of sales?
5. Europeans: can we develop the USA market implementing the USA playbook? USA factory, broker network, competitive pricing, USA team, channel strategy, 30-50% trade promotions?



What is the Plan?

Picking the right distributor is not an exact science. I know that each of us experiences moments of frustration when we question, “why did we ever pick that distributor?” Believe me, an equal number of examples exist where a distributor may share the same emotion about your company! Frequently, a partnership is christened by a positive distributor interview or enthusiastic meeting at a trade show. Everyone is always in a hurry to negotiate prices and a contract and



secure the first order. However, in many cases the decision to work together is cemented without a formal business plan where expectations, road map, and KPI's are established. Unfortunately, one year later both parties may find themselves pointing fingers at each other due to disappointing results.

I recently completed a distributor search project in the Middle East. We interviewed a number of good candidates and identified two with high potential. Last month, I was notified by the export manager that he selected one of the candidates. I supported his decision, but questioned how the plan proposals for the two distributors compared? The vague response confirmed no plans, just that he liked one distributor better.

This year, another project brought me to a country where a new distributor had been appointed less than one year earlier. Initial results were severely below expectations. The first question I asked the brand owner related to the reconciliation versus the original one-year business plan. What happened? In this case, there was general understanding about the direction of the partnership, but never alignment around a one-page scorecard with KPIs and a logical road map.

Launching a new distributor relationship is like the birth of a child. A mother rarely leaves the side of a baby, providing comfort, safety, and nutrition until the infant is healthy and able to survive without constant oversight. The same philosophy must apply to a distributor partnership. During the first few months, there must be frequent communication, care and visibility from the supplier with the new “brand parents.” This approach results in a healthy brand. Too many times, I see a new distributor appointed without anyone from the manufacturer committed to visit the country for the sales launch meeting or conduct a retail sales audit within the first sixty days. Parents bring their newborn to the doctor frequently for checkups.

Listed below are Export Solutions’ tips on creating a clear annual plan for each country and distributor partner.

1. Select new distributors based upon the quality of their year one plan: targeted listings, volume forecast, and retail penetration. What is their written commitment and timeline for achievement?
2. Current distributors should also have a confirmed one page plan. Merchandising events, new listing targets, spending, and shipment targets.

Many brand owners treat distributors as good customers which is a smart approach. The distributor is paying your invoice, not a retailer. Successful distributor partnerships thrive when both parties are aligned and committed to a simple, one-page plan. Looking for a sample format? I've prepared a one-page business plan template that is freely available in the Export Tips section of my web site or simply email me. What is your annual plan for each country?

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Strategic Services

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“The Right Way” – New Country Launch

Retail buyers and distributors are receptive to brand launches from multinationals. Why? Multinationals succeed, as they introduce new products “The Right Way.” Export Solutions recaps 30 components of launching “The Right Way.” Exporters create magic with limited budgets! Winners check as many boxes as possible on “The Right Way” scorecard.

Product	Retailer
<input type="checkbox"/> Meaningful innovation – not “me too”	<input type="checkbox"/> Boost category sales, margin, and profit
<input type="checkbox"/> Consumer market research insights	<input type="checkbox"/> Syndicated data (Nielsen) – category facts
<input type="checkbox"/> Technical confirmation of product differentiation	<input type="checkbox"/> Invest in retailer “push” programs
<input type="checkbox"/> Reasonable retail price – premium (not sky high)	<input type="checkbox"/> 4-6 high value promotional events per year
<input type="checkbox"/> Test market results – similar country or retailer	<input type="checkbox"/> Retailer VP, distributor CEO at intro call
Marketing	Excitement
<input type="checkbox"/> 360 marketing plan: TV, in-store, social, PR	<input type="checkbox"/> Launch party – memorable location
<input type="checkbox"/> Sampling	<input type="checkbox"/> PR, social media, trade press
<input type="checkbox"/> Social media	<input type="checkbox"/> Celebrity endorsement
<input type="checkbox"/> Displays: end of aisle and shelf blocks	<input type="checkbox"/> Distributor sales contest
<input type="checkbox"/> Special offers – retailer fliers	<input type="checkbox"/> Donation to local charity
Team	Scorecard
<input type="checkbox"/> Distributor – best in class, category expert	<input type="checkbox"/> Year 1: invest; year 2: break even; year 3: profit
<input type="checkbox"/> Local manager – launch oversight	<input type="checkbox"/> Sales volume (retail sell-out)
<input type="checkbox"/> Marketing, social media, PR agencies	<input type="checkbox"/> Market share
<input type="checkbox"/> Brand/technical resource from headquarters	<input type="checkbox"/> Retail availability (weighted distribution)
<input type="checkbox"/> Total distributor engagement: reps. to CEO	<input type="checkbox"/> Year 2 commitment and enthusiasm

Launch Plan Proposal – Year One*

Brand Objective				
Volume: _____		Wtd. Distribution: _____		Share: _____
Consumer Marketing Activities				
Activity		Rationale		Cost
1.				
2.				
3.				
Trade Marketing Activities				
Activity		Volume		Cost
1.				
2.				
3.				
Listing Fees				
Customer		# SKUs, Space, Promotion Support		Cost
1.				
2.				
3.				
Total Year One Volume		Total Year One Cost		Wtd. Distribution
Distribution Achieved with Above Spend Level				
Customer	Stores	% Country	# SKUs	Volume (annual)
1.				
2.				
3.				

*Feel free to attach other pages to support your recommended launch plan.

Price Calculation Worksheet

Item	Amount	Comments
List Price (factory or port)		Compare to your domestic list price? Avoid diverting risk.
Exchange rate		Watch bank rate vs. distributor rate.
Freight (sea, truck or rail)		Target full containers. Consolidation is costly.
Duties		Apply correct Harmonized (HS) code. Confirm Free Trade Agreements.
Customs clearance, insurance		Money and time!
Inland freight: port to distributor		Translate actual costs to case rate. Avoid flat percentage rates.
Landed Cost		
Product Stickers		Select countries.
Listing Fees		Flat fee. One time only. Usually not in calculation.
Marketing fund accrual		Typically, 10-20% of list price. Part of calculation or manufacturers price.
Distributor Margin		Normal range: 15-35%. Depends on size, complexity of brand, services, and "what trade spend is included."
Other Distributor Fees		Should be part of distributor margin. Avoid hidden profit centers.
Price to Retailer		Fair and transparent model. Incentives for large customers, extra performance.
Retailer promotions, incentives, rebates		10 – 20% depending on the country.
Other Retailer Fees		At times for merchandising or central distribution. Should be allocated from distributor margin.
Retailer Margin		Global average: 28% Range: 15% -45% based upon category, brand.
Sales Tax/VAT		Included in price in many countries. USA sales tax is on top of shelf price.
Consumer shelf price		Everyday prices and promotional prices.

*Cost Calculation Assessment**

*Ambient grocery example: Higher margins – Chilled and Health & Beauty products

Assessment Criteria	Global Benchmark	Actual
Retailer: Everyday margin	35%	
Retailer: Back margin (rebates, discounts)	0-10%	
Retailer: Other margin (Damage, merchandising, central warehouse)	0-5%	
Total Retailer Gross Margin	25-50%	
Trade Promotion (Manufacturer)	5-20% of net sales	
Total Distributor Margin	15-35%	
Warehouse / Stickers	2-4%	
Delivery	2-5%	
Total Distributor Logistics	3-7%	
Key Account Sales	1-3%	
Brand Management	1-2%	
Merchandisers / Field Force	0-4%	
Total Distributor Sales Team	4-6%	
Administration	1-2%	
Finance and Collections	2-5%	
Overheads (office, IT, corporate)	2-5%	
Distributor Promotion Investment	0-10%	
Distributor Net Profit	2-5%	

Export Trade Promotion Funding

How much do you pay for a display or special promotion at your top customer? Retailers from Argentina to Vietnam capture manufacturers' promotion money to drive sales and profits. Brand development and market share are frequently proportional to investment level. In the world of export, you must "pay to play." However, different models exist to fund trade activities. Leading distributors confirm that they work with a variety of different structures. "It's all money" and the key question remains: under which cost line do you want this investment to sit in your price calculation?

Manufacturer Funded Promotion Budget

The classic approach is for the brand owner to develop a joint business promotion plan with the distributor. A spending budget is developed, funded 100% by the manufacturer. The overseas distributor pays the local retailer and sends a billback to the producer, with proof of performance. The rationale for this practice is that the supplier owns the brand equity and can change distributors. Distributors are reluctant to invest their own margin into another company's brand.

Split Fund – "Skin in the Game"

In some cases, the brand owner and distributor split the marketing plan costs, usually "50-50." A further variation exists where the brand owner covers the cost of consumer marketing and the distributor pays for the periodic trade promotion discounts. The philosophy is that the distributor will benefit from higher sales and will also be motivated to execute successful promotions if their own money is invested. This structure appears most frequently with an existing brand, with a minimum three year history of shipments. In reality, the distributor calculates the expected investment and builds it into his cost structure. A "50-50" shared model will usually not be accepted with a new brand pioneered for the first time.

Best Price – Dead Net

Dead net pricing is the third model. In this scenario, a manufacturer provides a distributor with his very best price. The distributor builds in all promotional support and his margin into his calculation. In this case, the manufacturer does not receive a constant stream of requests for more promotion funding. However, the brand may lose control of their pricing model or be under supported if the distributor fails to promote at adequate levels.

10% of Sales – \$1/Case

Another common model is for a manufacturer to establish a fixed funding rate per case sold which the distributor invests to build the brand. Normal funding begins at 10% of case cost, but can accelerate to 20% or more for a competitive category. Some manufacturers offer a flat rate per case or amount per container. As mentioned before, it ultimately converts to a pile of money to invest in brand building. This approach functions best with a brand with a current sales history, as percentages don't mean much when the brand has zero sales.

Listing Fees

These one time payments are primarily covered by the brand owner as part of upfront launch costs. Sometimes these fees can be rolled into introductory promotions, spread out over twelve months, or paid via free goods. Please check out Export



Solutions' article *Ten Tips: How to Minimize Listing Fee Payments* for more ideas on how to reduce these payments.

Most Effective Promotion Vehicles

Every key account manager should know the best promotion vehicles to drive incremental sales at their customer. At some supermarkets, promotional leaflets drive tonnage. At others, deep discounts (30%+) or displays are winners. Distributor sales teams are market experts and can source best practices from their other brands.

Post Promotion Analysis

Tools are available to measure promotion effectiveness. These evaluate sales lift, boost in baseline consumption, and cost per incremental case. A good idea is to analyze multiple scenarios such as different price points, seasonality, and display support.

Creativity Counts

Many of the best trade promotion success stories involve field activated promotions. This allows a brand to break through the clutter of too many "me too" events. The sales team maintains ownership and enthusiasm to drive support. Another positive strategy is aligning with a retailer's favorite charity to contribute to the community while building your brand. Manufacturers must avoid the dull routine of repetitive 15% trade promotions. Boring!

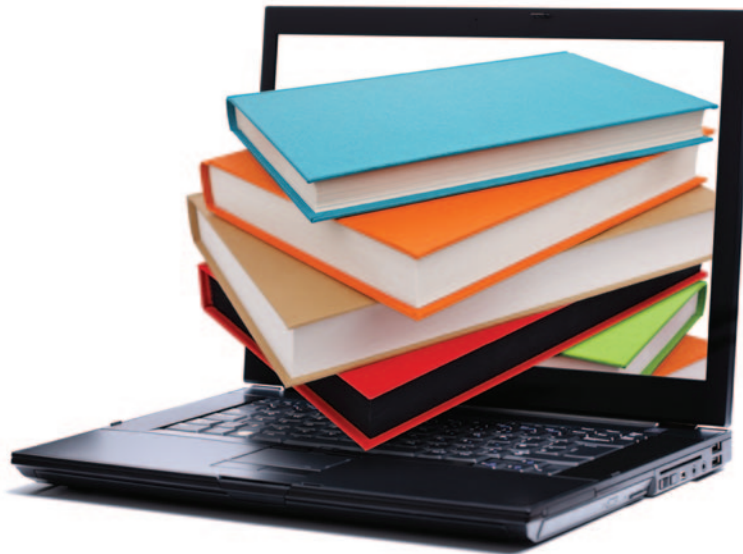
Key Issue – Distributor Underspends

Distributors are businesses, aimed at achieving a fair profit, just like your company. A risk occurs whenever distributors claim responsibility for managing the trade discount plan for their country. At times, these trade discounts can be under spent versus category and brand requirements. For example: when a distributor says that he will fund four promotions per year, does that mean at a 10% level or 30% level? Will the distributor funded promotions be for all channels and retailers or just a few customers? How do you know?

Compliance and Audit

Most distributor contracts include provisions for audit of trade promotion payments. Larger suppliers include trade promotion payment software. Good practices are complex and require piles of paperwork. A core message is that the "distributor respects what the manufacturer inspects."

Create Your Own Export Library



Export Strategy Guide



Distributor Search Guide



Export Handbook



Selling to USA Handbook



Distributor Management Guide



Finance & Logistics



*300 Tips for
Export Managers*



*Idea Guide:
New World – New Business*



*Export Treasure Chest
My Favorite Templates & Forms*



*People Power
Strong Teams Build Great Brands*



*New Distributor
Cooperation Model*

All guides available free at www.exportsolutions.com.



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**Looking for a fresh point of view for your
next event or training workshop?**

**Contact Greg Seminara at
greg@exportsolutions.com**





Brandscaping

Is it time for a fresh look for the new year? The 2020 pandemic redefined business practices. We witnessed a global surge in e-commerce and spent our days locked down in our home offices on Teams or Zoom meetings. Despite the new dynamics, many companies remained glued to the old marketing playbook. The first quarter of 2024 delivers a gift of time to brandscape. Below are five areas to consider as you refresh your export strategy and credentials.



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Web Site

When was the last time that you updated your web site? Does your site maintain a modern, inviting, look and feel? Are your products updated? Is there a page dedicated to your international presence and export team? Add your bio and photo to create a personal connection. Update your contact us template to make it easy for potential distributors (or brand owners) to share their company information. Your web site is the first place that a prospective distributor or supplier will look when evaluating your company.

E-Commerce

E-commerce sales grew by 40% and will only become larger. However, many companies do not fully address their e-commerce capabilities and game plans in their presentations. Managers should evaluate each element of their business model to highlight the impact of e-commerce. Adapt your presentations to discuss Amazon success stories, special e-commerce packs, and digital marketing skills.

2024 Company Credentials

Distributors and brand owners regularly participate in new business "pitches." The typical move is to dust off the old presentation and swap logos without a proper refresh. Consider revising your presentation to a modern 15 page deck. For suppliers, start with a one page fact sheet, listing sales, history, employees, etc. Follow with pages on your product portfolio, export success, and most importantly, strategy and investment plans for the new country. Distributors should also concentrate on basic company facts, organization chart, channel and customer coverage, and approach to brand building.

Training

Many export managers and distributors delivered a new commitment to training facilitated by web based platforms. It is now easy to conduct web training remotely, even adding resources and experts from your company headquarters. Why not create a new training module to share with your distributors? Add excitement, entertainment, and engagement to supplement the learning. Don't forget to send product samples, even if the training is virtual.

LinkedIn

Brandscaping includes "brand you." Over 800 million business people are registered on LinkedIn and I assume that includes you. When was the last time that you updated your photo, background, or profile? Or shared an article of interest or "liked" a post from a colleague? LinkedIn is an important marketing tool, not just a site for job search.

Most expect another four to six months before regular business travel resumes. This presents a perfect window to brandscape your marketing toolkit before the race back to the airport. I followed my own advice and launched a new web site which makes it easier for readers to access my 15 free Export Guides and more than 200 articles and templates on export development. Please visit www.exportsolutions.com and let me know if you like our new look.

Greg Seminará
greg@exportsolutions.com

"Spend Time Selling to Distributors versus Searching for Distributors"

Export Journey: SMCG to FMCG

A big difference exists in export strategy for SMCG (Slow Moving Consumer Goods) and companies committed to FMCG Brand Building (Fast Moving Consumer Goods). Either model is okay. Many companies are en route between SMCG and FMCG. Alignment between aspiration, investment, and perspiration drives realistic outcomes.

	SMCG		FMCG
Aspirations	Niche	Participant	Mass/Leader
Consumer	Homesick	Upscale	Local
Research	None	Nielsen	Consumer
Portfolio	Best sellers from home market	Best sellers from home market	Tailored to region or country
Packaging	Standard packs stickered	Multilingual	Local language label and pack size
Factory	Corporate HQ	Corporate HQ	Offshore
Pricing	Super Premium	Premium	Competitive
Marketing	None	Sampling, Digital	360 Plans TV, Digital
Trade Spend	None	10-20% Discount	Ad, Display 20-30% Discount
Route to Market	Niche distributor	Mid -size distributor	Mass distributor or subsidiary
Country Focus	Adjacent Homesick Expats	Mid-size countries plus USA	All countries USA, China, Brasil
Channels	E-Commerce Homesick Expats	Supermarket E-Commerce	All channels
Oversight	1 visit/year from HQ	Regional manager	Dedicated country manager
Complexity	Low	Moderate	High

Pioneering: A Gamble, Not a Guaranteed Gold Mine

Brand owners express frustration at the lack of response from distributors to their representation inquiries. Qualified distributors are flooded with emails from companies looking for new distributors to handle their unknown brands. It's difficult to convince massive retailers to take a chance on a new brand without a proven track record. It's even tougher to persuade the owner of a mid-size distributor to write a check for the first order of your product, particularly if you are not committed to a significant marketing campaign. Brand building from ground zero requires one-two years. Research reveals that approximately 20 percent of new products are still on the shelves two years later. Listed below are Export Solutions' tips on increasing your chances that your new brand will be a "Gold Mine" for a successful distributor.

Distributors: Always Looking for New Brands

Every distributor is looking for new brands. Distributor profitability rises exponentially when they add new business. New business allows them to leverage their fixed costs of warehouse space and sales teams. Most distributors search for adjacent brands that complement their existing portfolio. For example, confectionery specialists look for other snack items that may be purchased by the same buyer and are located in the same aisle as their current brands. Distributors need new companies, as all distributors (even the good ones), lose brands due to acquisition, performance, or direct models. The key is to position your new brand opportunity as an attractive addition to the distributor's portfolio.

What Every Distributor Wants to Know

While you rave about your brands superior taste, the distributor has three thoughts on his mind :

1. How much money can he make representing your brand?
2. Will it be tough to secure market acceptance?
3. What will the brand owner commit to in marketing investment?

Manufacturers that position their proposition in these terms have a better chance of gaining market acceptance. Review Export Solutions' article "How to Excite Buyers, New Product Checklist" for an independent product assessment.



Resistance to Pioneering

New product launch cycles require up to one year from time of first distributor meeting until he receives retailer payment for his first order. During this incubation period, the distributor must allocate his sales and marketing resources to your company without compensation. This time dedicated to your company is sourced from their other brands that are currently generating income. Access to the shelf does not guarantee consumer trial and repeat purchase. A distributor may buy your brand, capture shelf space, and suffer disappointment when the product does not sell. Unfortunately, these pessimistic comments reflect reality and provide insights on why best in class distributors are hesitant to pioneer.

On the Road to Gold Mine

How can brand owners overcome distributor resistance to pioneering? Distributors are impressed by large companies and brands that have been successful in adjacent countries. Some distributors will accept a product that offers some existing market penetration with the belief that their stronger team can drive the business to the next level. Manufacturer commitment to a powerful marketing program sends a loud message that you are serious. For mid-size manufacturers, offering a small monthly pioneering fee (\$3,000 - \$7,000)

demonstrates that you are a patient partner, willing to co-fund the launch preparation until distributor sales begin. At the end of the day, distributors look for a strong partner, with a good track record, and a firm financial commitment to support your mutual marketing efforts.

How to Find an Enthusiastic Partner?

Export Solutions compiled an extensive Distributor Search guide covering all aspects of the distributor search process. In pioneering scenarios, it is critical to consider a wide variety of potential partners. Schedule a one week trip to a country. Plan to visit at least 5 distributors. Most distributors will be open to an introductory meeting with an overseas principal if you are professional in your approach. Referrals from your local government trade support contact or another one of their current brand owners helps pave the way. Trade shows also generate leads from interested distributors. Post a large sign saying: Distributors Wanted, listing countries of interest. This will encourage visitors to stop and chat.

Pioneering is tough but not impossible. In reality, creating new brand sales from a zero base is the essence of the Export Manager's job responsibility. Fortunately, Export Solutions' database covers more than 9,700 distributors looking for opportunities. Good luck!

New Product Launch: Ready, Set, Grow – Ten Tips

Your new product launch is a big deal, comparable to the birth of a child. The first days are critical if you want to raise a “healthy brand.” Listed below are Export Solutions’ ten tips for launching your company for the first time to a new distributor or expanding through a new product introduction.

Firm Calendar

Distributor and brand owner should align on a “firm calendar.” This includes dates for sales materials development, launch meeting and key account calls. All dates are dependent on arrival and customs clearance of the first order. No product, no meeting!

Get Ready

Allow adequate time for printing of point of sale materials and development of key account presentation. In some cases, translation or local adaptation of brand owner supplied tools may be required.

Memorable Meetings

I still remember motivational meetings with themes around boxing and magic. Create new memories with a special theme or an external speaker. Off-site meetings contribute to making your launch special, with an added sense of commitment. Have fun!

Mandatory Attendance

The distributor CEO, brand manager, and export manager must all attend and have speaking roles. Best is to have one meeting with sales and merchandising teams together. However, in some cases, a follow up meeting may be required. Invite logistics, finance, and customer service people to make it a “team effort.”

In-Store Objectives

Establish clear measures for in-store presence. This includes shelf positioning, space allocation, pricing, and off-shelf merchandising. Share a photo. What qualifies as a “good store” versus a “bad store?”

Frequently Asked Questions

Prepare a list of potential questions and logical responses. Role play with the team. Share a printed one pager with sample answers to tough questions.

Samples, Samples, Samples

Provide generous quantities of samples for all distributor employees to enjoy and take home. Prepare recipes if your brand is a food product. Samples are your best advertisement.

Personal Goals

Each team member should have personal goals for your launch. For a key account sales person, this could be acceptance of the core product lineup. A retail merchandiser could be assigned a target of a specific number of stores with displays or eye level shelf placement. For the launch, focus on implementation goals versus case shipments.



Key Account Calls

In many countries, large supermarket chains dominate sales. Develop a personal strategy for each key account. What are the buyers internal goals? How do we fit with the chains consumer base and plans? Which chain “push” programs can we participate in? Schedule a “lead call” with an easier key account to get feedback that will help you with a tougher buyer. Invite the export manager or distributor MD to participate in the sales call if it will help.

Audit

Schedule a retail audit of stores to coincide with the expected retail availability of product. Bring other people from the brand owner’s company and have 2-3 teams auditing the market against a specific set of goals. Visit secondary cities, not just the stores around the distributor’s office. Recognize that conditions will not be perfect and celebrate progress to date.

Need more information? Visit www.exportsolutions.com.

Export Solutions' New Distributor Checklist

- ___ Contract/Agreement
- ___ Price Calculation Model
- ___ Business Plan: objectives, marketing, spending, key dates
- ___ Category Review: Pricing, Shelf, Assortment, Merchandising
- ___ Label Compliance
- ___ Shelf Life
- ___ Order Lead Time
- ___ Minimum Order
- ___ Pick up Point
- ___ Payment Terms
- ___ Payment Currency
- ___ Damage Policy
- ___ Product Registration
- ___ Forecast: Year 1
- ___ Pipeline Order & Inventory
- ___ Brand Facts
- ___ Product Samples
- ___ Appointment Letter
- ___ Brand Specifications in System: Distributor & Customers
- ___ Training: Key Account Managers, Retail, Administrative Staff, Warehouse
- ___ In Store Standards: Pricing, Shelf Management, Merchandising
- ___ FAQ's/Handling Common Objections
- ___ Key Account Presentation
- ___ Customer Appointment Dates
- ___ Category/Business Review: Tailored to Each Key Account
- ___ Retail Sales Contest
- ___ Checkpoint Calls
- ___ Market Audit Date
- ___ Reporting: Track Distribution, Pricing, Shelf Positioning, Merchandising, etc.



Greg's Guidance: Distributor Assessment Criteria

- ✓ History of Success pioneering other international brands
- ✓ Strong retail presence for current brands handled
- ✓ Logical launch plan, category analysis, and cost structure
- ✓ Positive references from existing brands and Dun & Bradstreet
- ✓ Enthusiastic about your brand and the business

Ten Tips: Your Company Credentials Presentation

Distributors are flooded with requests for representation of brands from around the world. Normally, these presentations are jammed with pretty photos and long stories about the company's history. Brands will receive better response with a fact based, company credentials presentation focused on "what distributors and buyers really want to know." Export Solutions recommends that brands create two versions of your credentials presentation: a ten page detailed presentation and a one page summary.

Recapped below are our ten tips on developing a strong company credentials presentation to attract interest from distributors and buyers anywhere.

1. Just the Facts:

Page 1 should include basic company facts. Annual sales, ownership, number of employees, and key categories and brands.

2. History

Tell the story of when and how the company was founded. This is your chance to seduce the audience with a captivating story. Learn to tell the story in one page with no company videos or DVDs (boring!). Provide a longer version of your history and milestones on your company web site for those who want more information.

3. Brand USP

This is the place for pretty pictures of your brand and the opportunity to demonstrate your category expertise. Why is your brand different? How do you compare with current category assortment? List any awards or recognition for your company.

4. Current Export Markets

Share countries where your brand is currently available. Segment between core markets where your brand is strong and others where you maintain niche status. What is the rationale for entering the distributor's country?



5. Distributor and Retailer Partners

Highlight well known distributors currently serving as your partners. List retailers who currently sell your brand. Logos work well.

6. Success Stories

Focus on recent examples of your brand building results. Mention specific retailers or distributors if examples are well known retailers or in adjacent countries.

7. Investment Strategy

Distributors and buyers demand critical information on how you plan to generate consumer awareness, trial, and repeat purchase of your product. Their interest will match your level of financial commitment.

8. Team Resources

Publish photos of your export team. This includes marketing, finance, customer service, and logistics experts. List years of service for each team member to demonstrate that you have a strong support organization to build the business.

9. Sync With Web Site

Your credentials presentation should sync with information on your web site. In reality, your web site is the first place that a potential distributor will visit. Modern web sites, with crisp graphics, minimal text, and no music will receive attention. Do you have a page dedicated to international export? When was the last time you updated your web site?

10. Why is your Company a Good Partner?

This represents a one page summary of your company credentials. What value does your company bring to the partnership? What is the "size of the prize?" How will your brand make more money for the distributor or buyer?

Export Solutions can help!

Export Solutions has participated in more than 300 distributor identification projects and reviewed web sites of more than 10,000 distributors and brand owners. We are available to review your company presentation or web site to provide timely ideas and suggestions to improve your visibility. Contact us in the USA at (001)-404-255-8387 for more information.

Need more information? Visit www.exportsolutions.com.

Where Do You Want to Grow?

Asia/Africa/Middle East

	Australia – 284 Distributors
	China – 161 Distributors
	Hong Kong – 182 Distributors
	India – 110 Distributors
	Indonesia – 80 Distributors
	Japan – 176 Distributors
	Korea – 147 Distributors
	Malaysia – 128 Distributors
	Philippines – 120 Distributors
	Singapore – 164 Distributors
	Thailand – 103 Distributors
	Vietnam – 52 Distributors
	Israel – 82 Distributors
	Saudi Arabia – 111 Distributors
	U.A.E. – 206 Distributors
	South Africa – 114 Distributors

Plus 14 more countries

Europe

	Austria – 72 Distributors
	Belgium – 91 Distributors
	Croatia – 78 Distributors
	France – 134 Distributors
	Germany – 203 Distributors
	Greece – 93 Distributors
	Hungary – 71 Distributors
	Italy – 114 Distributors
	Netherlands – 162 Distributors
	Poland – 107 Distributors
	Russia – Not Available
	Spain – 173 Distributors
	Sweden – 110 Distributors
	Switzerland – 104 Distributors
	Turkey – 96 Distributors
	U.K. – 281 Distributors

Plus 19 more countries

Americas

	Argentina – 60 Distributors
	Bolivia – 55 Distributors
	Brazil – 151 Distributors
	Canada – 232 Distributors
	Chile – 99 Distributors
	Colombia – 87 Distributors
	Costa Rica – 77 Distributors
	Ecuador – 62 Distributors
	Guatemala – 66 Distributors
	Mexico – 206 Distributors
	Panama – 65 Distributors
	Paraguay – 59 Distributors
	Peru – 84 Distributors
	Uruguay – 59 Distributors
	USA – 654 Distributors
	Venezuela – 38 Distributors

Plus 14 more countries

*Use Export Solutions Database
to fill in the Gaps in your
Export Coverage Map*

