

If developing a plan leads to success, then why do manufacturers abdicate their responsibility?

Distributors and Reps Suffer from Lack of Information & Training

Summary: For years manufacturers lamented the quality of joint planning with distributors. Distributors focused, and improved. Marketing groups contributed to the process. Now, many distributors comment on the poor quality of manufacturer planning (as represented by their salespeople). The issue has come full circle, and *manufacturers now need to improve their efforts.*

The good, the bad and the ugly

Recently I participated in a number of joint planning sessions, which led me to talk to other distributors about their planning efforts. Some observations.

1. Everyone wants to know which manufacturer economist forecasted a 10% growth for this year? Every distributor mentioned that manufacturers were seeking significant increases (in a year that many say will be flat at best?)
2. Some distributors tried planning in January and spoke to their reps who did not receive manufacturer information until February.
3. Manufacturer salespeople were ill-prepared for meetings (some looked at the manufacturer information the day before the meeting).
4. Are we conducting sales planning or marketing planning? Sales planning is a way to justify sales goals, marketing planning pre-supposes that both parties are interested in developing strategies to grow the business.
5. Direct salespeople are comparable to independent reps. Just because it should be more effective to plan with a factory

person does not mean that he/she has taken the time to learn their company's programs.

6. Manufacturer size does not correlate to quality.
7. The quality of a distributor's planning experience is directly proportional to their size and involvement of someone from the manufacturer's sales/marketing management team.

Too many and not enough

In thinking about this, I came to the following conclusions:

1. **Marketing programs have proliferated.** There are too many programs for salespeople to understand (or want to understand).
2. **Sales training and communication about marketing programs is lacking.**
3. **There is little urgency in getting materials to the field** prior to January (why should we plan before the year?)
4. **Salespeople do not understand their customers' business**, nor their direction in the local marketplace.
5. **Most salespeople are too focused on their own offerings** instead of thinking of how they fit into the distributors' broader marketing needs (and offering to their customers).

Successful Planning Get Results

It has been proven that if you develop a plan and "work it", odds are you achieve it. This is true for annual planning and promotional development. *If so much rides on planning, why don't we try to change the process and make it better?*

"Don't bring a problem without offering solutions."

I had a mentor years ago who managed with this philosophy, so, in the spirit of starting the dialogue, here are some ideas:

1. **Target your planning efforts.** This may not be popular, but not all distributors

require the same level of planning. (They don't plan with all manufacturers.) Manufacturers should segment their distributors, and develop different planning tools based upon distributor volume and/or potential.

2. **Survey your customers.** Are they aware of your programs? Which ones do they use? Why? and why not the others? Set a goal of eliminating the bottom 25% of programs.
3. **Invest in training.** With millions of dollars invested in marketing materials, manufacturers need to reallocate budgets and spend 10-15% of program funding on training their salespeople and providing them with appropriate tools. (Many manufacturers do not conduct sales meetings due to time and expense!)
4. **Technology can help.** Web conferencing and collaboration software can facilitate communication by providing a consistent message to manufacturer salespeople and distributors. It can also be used as a medium to bring corporate involvement into more distributors. Remember, corporate developed the program; they are the best people for presenting it (isn't that what happens at large distributors?)
5. **Marketing groups need to change their planning.** Groups must be challenged to create environments where their top manufacturers (if not all) can present their strategies to groups of distributors.

Evidence shows that distributors that develop their own marketing initiatives (or promotions), scope out the effort, then invite manufacturer participation and refine the strategy as necessary are the most successful.

Why? Because they know their market, their importance to their manufacturers and their goals (and that manufacturers will fund performance-oriented strategies). No one wants to abuse co-op dollars (or other funds) – but someone needs to take the wheel and steer.

This works well for one segment of distribution, but do manufacturers want to have more input?

Take Action

Why is this important now, with the first quarter already gone? With the NAED Annual around the corner, **distributors owe it to themselves to share the quality of their planning experience with the senior management from the manufacturers.** Good experiences should be recognized, poor ones need to be reconsidered and strategies re-set (before more time elapses). Don't look at this as "shooting the rep" but as an outcry to improve the planning process.

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