

Critical Issues for Chains and Manufacturers by Size

Small Manufacturers and Large Chains

Relevance to their Business

- Leverage unique capabilities
- What do you bring to the retailer?
- Capable of national support plan?
- Opportunity for exclusives?

Enhanced Margins

- Pay to play?
- Must be accretive
- Every day low price, promo, or both strategy?
- Sustainable long term?

Attaining Distribution

- Brand positioning within the category
- Unique or exclusive offering
- Programs to drive demand
- Cost of entry – slotting, etc.
- How success is measured

Innovation Source for Brands

- Incubator for emerging brands
- Level of collaboration
- Testing capability assessment/measuring
- Long term vs. short term outlook

Pay on Scan/Holdbacks

- Criteria established to move to normal terms
- Cash flow implications to brand
- Acceptable amount? Term of agreement?

Quality of Representation

- Direct, broker, or telesales?
- Understand the go-to-market strategy?
- Service levels
- Knowledge of customer/industry/retail
- Ability to make decisions

Level of Acceptable Risk

- Pay on scan/holdbacks
- Merchandising agreements
- Product liability levels
- Handling of recalls/discontinuations

Access to Senior Management

- Typically, at industry events
- Effective/efficient use of executive's time
- Be strategic, bold, and specific in opportunity discussions
- Focus on win/wins and action needed

Time Spent by Category Managers

- 80/20 rule – need to be worthwhile
- NACDS Total Store Expo and review timing for meetings
- Going above buyer – ramifications/outcomes