



THE MODERN WHOLESALE MANUFACTURER

**A Guide for Distributors
Seeking Positive Change**

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Today's automotive products distributors could find themselves in a growing struggle to maintain a viable position in the marketplace, thanks to an alarming evolution among wholesale manufacturers.

Many manufacturers and wholesalers are investing in their own distribution networks and supplying products directly to end-users, simply eliminating distributors. Greed is not entirely to blame.

Rising operational costs have created price pressures for manufacturers, and technology advances have enabled plenty of opportunities for selling direct. The Internet, the perfect marketplace for direct buyer-seller interaction, has fed this evolution — or was it vice versa? End-users believe they can buy any product online quickly and at a reasonable price, and manufacturers believe they can deliver any product just as effectively via fast freight, tracked online, and never even talk with the customer.

Regardless, goodbye middle-man distributors, right?

Wrong. Well, partly wrong.

Certainly, no one can deny online, direct channels between buyers and manufacturers continue to rapidly develop, but some innovative manufacturers see this evolution as creating opportunities, too. As the old saying goes, "Change Brings Opportunity" or was it "Adversity Breeds Opportunity"?

Perhaps a venerable comedian and actor said it best years ago: "If opportunity doesn't knock, build a door."
Milton Berle

Instead of having to choose between preserving the traditional wholesaler-with-distributor model or adopting the new online, direct model, some of today's wholesalers know there are other options. Totally new opportunities, new doors are being opened — or being built as Berle suggested.

Rather than abandoning reliable distributors, especially those with whom a wholesaler has long, deep relationships, these innovative wholesalers believe they should support their distributors even more! They

believe it is their role to help strengthen their distributors' performance to enable them to simply OUTPERFORM those nameless, faceless online vendors.

How? By offering needed, custom and outsourced services — enhancements — that online sellers are inherently unable to provide!

Now, before you jump to the conclusion this entire article is about good old-fashioned customer service, let us assure you it is not. While still appreciated by many end-users, today's wholesale manufacturer and distributor partnership must deliver way more than friendly service to outperform online vendors.

MODERN DISTRIBUTORS PARTNER WITH MODERN WHOLESALEMAN

As we have already stated, distributors who wish to survive — and contemporary wholesale manufacturers who seek to preserve distributors — must provide enhancements that enable distributors to perform in new and exceptional ways.

Those distributors who seek and embrace those enhancements are today's *Modern Distributors*, and those wholesalers who design and offer those enhancements are today's *Modern Wholesalers*.

Here are key examples of the enhancements Modern Distributors should look for when seeking a Modern Wholesale/Manufacturer to help them survive and excel.

TOTAL SOLUTION

As any sales rep will verify, the proverbial kiss-of-death is to say to a customer, "No, sorry, we cannot do that." It is simply too easy for buyers to turn to their computer and Google any item, find it or a close facsimile, and acquire it in minutes. "No" is a bad word.

Today's Distributor must know what his customer base will ask for and be prepared to deliver it. That means the Modern Wholesale Manufacturer behind the Modern Distributor must provide ALL the products and services demanded by the Distributor's customers, not just a limited number of items.

Take automotive dealerships, for example. Practically every dealership in the country has five departments: sales, service, parts, office, and body shop. Every day distributors walk right past one or more of those departments to visit a buddy in the Service Department or the Sales Department and never solicit business from other departments, often because they simply do not have the products to sell.

A Modern Wholesale/Manufacturer should support Modern Distributors with a full line-up of cross-department products and services; not just a few, but hundreds and hundreds of needed consumables, items that dealers need to buy over and over. This Total Solution approach not only yields a form of recurring revenue for Distributors, but it also builds loyalty and deep relationships, something not available from online vendors.

UNIQUE POSITION

Distributors need to stand out. After all, they are not only competing with other Distributors, but they are also competing with the Great Internet. In the blur of shopping or comparing online, too many products appear identical. For example, whether a buyer is reviewing custom forms for a service department or outdoor flags for a sales department, online comparisons quickly become a perplexing process of analyzing wide-ranging prices, questionable or unknown quality, and often unreasonable shipping costs and delivery times.

Distributors need unique product lines with proven reputations, backed by quality guarantees and long-established customer satisfaction assurances. Products with that kind of history are usually uniquely **BRANDED** to protect and preserve their reputation.

Product branding is good, of course, but unfortunately, many wholesalers brand their well-established products with **THEIR** own name! Oops. How does that help the Distributor who is looking to be unique with their customers? Ironically, such branding is exactly contrary to what Distributors really need. Requiring a Distributor to represent a brand based on the **MANUFACTURER's** name **SETS UP** the very scenario Distributors need to avoid! With manufacturer branding, it will be too easy – and too tempting – for that manufacturer to suddenly begin selling direct when end-users have learned to prefer and demand the brand. Goodbye, Distributor again.

A Modern Wholesale/Manufacturer should support Modern Distributors by developing brands that become the Distributors' own brands, and those brands should **NOT** be named after or otherwise be tied to the brand or name of any wholesaler or manufacturer. Look for that when choosing your next Modern Wholesaler.

EXTENDED TECHNOLOGY

Sophisticated buyers know this is a digital world, and they expect access to real time data, but the Modern Distributor must think beyond that. To be sure,



Distributors need wholesalers who enable electronic ordering, real time order status, delivery tracking, reporting, and all the core operational support expected today. Not all wholesale manufacturers provide such support, so ensure those services are in place when qualifying a new wholesaler.

Beyond the obvious, though, are those services only a very few wholesale manufacturers offer, and Modern Distributors would be wise to seek them out. Extended Technology is the term to describe technology capabilities that Modern Wholesalers provide to their Modern Distributors to enhance the Distributors' capabilities with end-users.

A simple example is a website. Every distributor can have a website; it is relatively simple to build one nowadays, but actually, the typical distributor website does truly little in the way of business transactions. Conversely, many wholesalers now have very sophisticated websites to enable distributors to place orders and conduct other business online. However, only a very few Modern Wholesalers **EXTEND** those online capabilities to provide websites *branded to Distributors that effectively extend* online functionality to the end-user!

What a great service! An end-user, let's say an auto dealer, is provided a website *by the Distributor*, and that website enables the dealer to review an entire product line, place orders, and communicate with his Distributor in a way that makes it appear the Distributor built and maintains the website, yet it is actually provided by the Modern Wholesaler to enhance his Modern Distributor. That, my friends, is exceptional support!

There are more sophisticated ways of extending technology, too. One exciting way Modern Wholesalers are extending sophisticated technologies to Distributors is with Extended Hold for Release programs. Often, dealerships or other customers want Distributors to keep their most needed items "in inventory" to ensure steady, fast, and assured delivery. The Modern Wholesaler with a full warehouse

management platform and inventory management capabilities is able to Hold for Release FOR the Distributor, fulfilling this need while again helping make it appear the local Distributor is providing the service, thus enhancing the Distributor's services — and reputation — with his customer.

Bottom line: when exploring new relationships with wholesale manufacturers, investigate their technology, but most especially, ask how they extend their technologies for the Distributor's benefit and use.

THE HUMAN FACTOR

It seems appropriate to follow a section about technology with this section about humans. Recent developments in online and point-of-sale technologies are designed to remove human beings from transactions between buyers and sellers. All of us order from Amazon and never interact with a human being. Most of us deposit our money and pay our bills with banks with whom we have little-to-no human relationship. In fact, online giving via the simple pressing of a "Donate Now" button and entering a credit card number is rapidly replacing the dropping of cash into a collection plate passed — and counted — by a human being.

With technological advances come the retreat of human services. The Modern Distributor cannot succumb to this trend. The Distributor must be his customer's problem-solver and innovator, his lifeline to needed consumable products and services. The Distributor must find the product needed, help meet regulatory requirements, enable the dealer to stand out against competition, and even provide ways to help keep employees and customers safe. The Distributor's role is a very human one. Be there. Have an idea. Get it done. Meet the deadline. Solve the problem. Overcome.

For the Modern Distributor to fully excel at The Human Factor, that Distributor must have a Modern Wholesale Manufacturer who provides human support. As referred to earlier in this piece, this is not just about being friendly and nice (although we all want that!), but rather, the Human Factor to which we refer means that humans are available **ALONGSIDE** advanced technology.

Nothing is more frustrating for a Distributor than to need real answers in real time, but be unable to interact with trained, knowledgeable, empowered human beings.

So, when interviewing a wholesaler who is promoting the very latest technologies, make sure their plan is not to replace humans with computers.

DEMONSTRATED TRUST

Finally, the one intangible in our lineup of ways Modern Wholesalers should enhance the performance of their Distributors is trust — or more accurately described: Demonstrated Trust.

Regular trust means a wholesaler assures he will never knowingly sell direct to his Distributors' customers, and he will always protect the Distributors' proprietary information.

Demonstrated Trust goes further. Essentially, the Modern Wholesaler will demonstrate his trustworthiness by investing in processes and systems that preserve and protect the Modern Distributor's relationships with customers. You could call this "putting your money where your mouth is."

For example, "regular" wholesalers may offer to ship "blind" for Distributors, and a few will label shipments with the Distributor's name for a fee. The Modern Wholesaler not only ships entirely under the Distributor's name, but he also enables *automatic reorders in the Distributor's name* — for absolutely no fee. Instead of charging to preserve trust, the Modern Wholesaler demonstrates trust in all operations, processes, and policies.

Look for these kinds of services as proof you have found a Modern Wholesaler you can completely trust to help you maintain your business relationships.

By the way, trust is a two-way street. The Modern Distributor is also Trustworthy. Let your Wholesale Manufacturer know you trust him, too! Follow today's proven Vendor Consolidation principals that enable you to simplify daily operations, improve efficiencies, and deepen your influence with important Modern Wholesalers (Google for more info).

THE MODERN PARTNERSHIP

As we hope you have surmised, the Modern Distributorship and the Modern Wholesale Manufacturer have a healthy co-dependence. Together, they can create a true Modern Partnership that will readily outperform any traditional or online supplier by offering needed, deep service enhancements.

To become a Modern Distributor, go now and search for your Modern Wholesaler, and when you find one, take advantage of every enhancement he offers. Be the best equipped, most unique, most capable, most supportive, and most trusted Distributor in your market.

Be the Modern Distributor!